

NEWS SUMMARY

GENERAL

Owen attacks Smith raid

Dr. David Owen, the Foreign Secretary, yesterday asked 11/16, while long-dated issues south Africa to urge Rhodesia rose up to 1. The FT Government's call off its four-day-old meeting. Securities Index more operation in Mozambique and than recovered the previous day's loss with a rise of 0.20 to 0.20 Mr. Ian Smith, the Rhodesian £8.47.

• EQUITIES fluctuated narrowly in thin trade. The FT 30-Share Index closed 0.1 higher at 448.5. Falls outnumbered rises in FT quoted Industrials by 4 to 3.

• COFFEE prices slipped, the September position finishing

BUSINESS

Recovery in gilts, equities steady

• GILTS made a better showing as concern about upward pressure on interest rates eased. Short-dated stocks gained up to 11/16, while long-dated issues south Africa to urge Rhodesia rose up to 1. The FT Government's call off its four-day-old meeting. Securities Index more operation in Mozambique and than recovered the previous day's loss with a rise of 0.20 to 0.20 Mr. Ian Smith, the Rhodesian £8.47.

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HOPES RISE FOR PHASE THREE PACT

Two unions say yes to pay deal

The Government's hopes of securing an agreement of some kind on pay policy with the TUC were given a substantial boost yesterday when two major trade union conferences gave qualified support to a new deal.

The General and Municipal Workers Union, the third largest TUC affiliated union with 916,000 members, voted by an unexpectedly large majority for "an orderly return to free collective bargaining" and the 105,000-strong Iron and Steel Trades Confederation, the dominant union in the steel industry, overwhelmingly backed a new phase of pay policy.

These two decisions mean there are now 2.8m votes committed

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against a new deal and 2.4m, in favour for the crucial Trades Union Congress in September. The final result of the TUC vote hangs on the 625,000-strong National and Local Government Officers' Association, the fourth largest union, whose conference is later this month. Mr. Jack Jones's 1.86m-strong Transport and General Workers' Union, and the National Union of Mineworkers, with 262,000 members, both of whose conferences are in July.

The influential National Institute's quarterly review warns that a 15 per cent. increase in earnings during phase three would be "very risky indeed".

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GMWU names its price

BY CHRISTIAN TYLER, LABOUR CORRESPONDENT

THE FULL price of trade union consent to another voluntary incomes policy was set yesterday by the General and Municipal Workers' Union, staunch supporter of the Social Contract with the Government, voted by an unexpectedly large majority.

That price now includes a not to ditch the social contract

refinements. Budget in the summer—or an equivalent package of extra price controls, help for the unemployed, particularly the young, and reversal of some public expenditure cuts, especially in the construction industry.

It includes a new minimum wage target for the low-paid to be set by the TUC (the pre-pay rate of £1.715 was £20), maintenance of living standards for all, and a current inflation rate of 16 per cent. extra money for other union conferences this year who have voted in principle

consolidating some or all of the incomes policy pay supplements

into basic rates, and incentive cessions between the TUC's top five negotiators when they see the Chancellor again shortly to

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Government, set out yesterday in a 435 conference delegates meeting in Southport.

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Turkey in foreign exchange crisis

By Dominick J. Coyle

ANKARA, June 1. FIVE DAYS before a crucial national election here, there are strong but unofficial indications that Turkey has in effect run out of foreign exchange reserves.

A number of traditional exporters, including some in Britain and also in Japan, are understood to be refusing to accept new orders, and are postponing some deliveries under existing contracts.

The Turkish Central Bank at mid-May acknowledged that the country's available foreign exchange had dropped to \$521m., well under half the level at the beginning of the year. However, it is now apparent that even this low figure is artificial, since there is believed to be a backlog of transfer payments of about three months.

On the basis of official external trade returns covering the first quarter of this year, the backlog could represent close on \$1bn. in delayed payments, apart from whatever foreign reserves may be necessary to cover convertible Turkish lira deposits maturing later this year.

Earlier maturities have largely been reconfirmed, and there was a net increase of \$360m. in convertible lira deposits in the first four months of 1977, leaving the total at mid-April at more than \$2bn.

There was, however, a fall-off in deposits during April, and this is understood to have continued through May.

Independent commercial and banking sources, both here and in Istanbul estimate that some \$400m. in foreign-held convertible lira deposits will mature over the next few months, with perhaps a further \$500m. before the end of the year.

It is important to emphasise that Turkey has always met its international commitments, whatever the delays, although some commercial sources are now reporting that, in at least some recent cases, letters of credit issued through the Central Bank have apparently not been backed with immediately available currency cover. Unofficially, it is acknowledged that "some difficulties" have arisen.

Officials understandably are not inclined to comment formally on the situation in the closing days of a bitterly fought election campaign, while many Turkish industrialists and other importers, who complain privately about the serious shortage of supplies, do not wish to raise the matter in public for fear of being accused of intervening in election politics.

There is a general feeling here that, whatever government emerges after the poll, will be faced with the urgent task of launching an austere programme and seeking new, short-term foreign loans. The Turkish business community and principal foreign embassies here anticipate an early and sharp devaluation of the lira.

Soviet dissident arrested in treason investigation

BY DAVID SATTER

MR. ANATOLY SHCHARANSKY (29), an active member of the dissident committee to monitor Soviet observance of the Helsinki accord, is being held by KGB security police in connection with charges of treason, dissident sources said to-day.

His mother was informed to-day in a letter from the Soviet Prosecutor that her son, a computer programmer who had tried unsuccessfully to emigrate to Israel, is being investigated under the treason paragraph of the Russian criminal code which covers espionage, conspiracy against the Soviet Union, and voluntary flights across the Soviet border.

Mr. Shcharansky was arrested on March 15 after being denounced in the Soviet Press along with other Jewish emigration movement members as a paid agent of the CIA.

The paragraph under which Mr. Shcharansky is being held is by far the most serious of any used against Soviet dissidents in recent years. His activities in Moscow, however, may have been particularly irritating to the Soviet authorities. He was an articulate and well informed dissident and the single most important liaison between Jewish and democratic dissidents and the Western Press.

The fact that he is being investigated for treason, and that the Soviet authorities have collected statements from former members of the Jewish movement who claim to have witnessed treasonous activities as

well as various espionage devices, is a strong indication that preparations may be under way for an espionage trial reminiscent of those which took place during the Stalin era.

If Mr. Shcharansky is tried and found guilty of treason he could be sentenced from 10 years in prison to death.

Jewish activist Josef Begun was sentenced yesterday to two years of internal exile after being found guilty of parasitism by a Moscow city court, writes David Satter. Mr. Begun, a mathematician, who lost his job shortly after applying for permission to emigrate to Israel in 1970, was charged with vagrancy after police stopped him from meeting with a U.S. diplomat at the U.S. Embassy three months ago.

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well as various espionage devices, is a strong indication that preparations may be under way for an espionage trial reminiscent of those which took place during the Stalin era.

AMERICAN NEWS

Carter bid to halt clash with Congress on budget spending

By JUREK MARTIN

WASHINGTON, June 1.

RESIDENT Carter, back in controversial topics, a Farm Bill is being discussed in the White House. The Administration has just met with the Speaker budgeted for legislation containing the House, Congressmen are awaiting a final vote on the bill. Tip O'Neill, in a clear attempt to the President's words, has been head of a confrontation with another Bill containing funding for a budgetary to local areas with large military bases inside them.

The latest in what is becoming Mr. O'Neill has claimed all fairly long line of potential along that relations between the White House and Capitol Hill are better than Mr. Carter's Congressmen's critics, perturbed by his financial conservatism, claim.

A House committee has already passed a Bill providing more in funds for the Administration wants the President has threatened to veto it.

Last night the counterpart committee in the Senate passed Bill whose overall dollar figure closer to the Administration's she - but only by making cuts at the Government - feels are warranted. The committee timed that the President had estimated the costs of President to have Mr. O'Neill in his corner, but the Speaker - like the Bill. But the implication is that the Senate will go along in the House, and increase ending in other areas.

The way that the Congressional tender is currently set suggests that the Labour-BEW Bill as a significant step in an attempt to arrive on the President's desk first ahead of three other off.

Capital spending steady

By OUR OWN CORRESPONDENT WASHINGTON, June 1.

CAPITAL SPENDING by U.S. unusually strong rise at the end of the year from the fourth quarter of 1976 but was still running at a rate that harbours all for future economic growth.

The Conference Board, a private institution, reports in its latest survey that appropriations by the nation's largest manufacturing companies in the first quarter stood at a seasonally adjusted \$14.69bn.

This was down from the 15.08bn. in the final quarter of 1976 but was well above the 11.34bn. of the first quarter of 1976.

The organisation says in its analysis that the slight decline in the overall index rose by not a first quarter in no way much more than 3 per cent, but suggests a weakening of it's clear that this performance economic conditions" given the will not be repeated in 1977.

Soviet satellite failure?

By DAVID BELL

WASHINGTON, June 1.

THE U.S. DEFENCE Department last night lifted a corner of the veil of secrecy which normally surrounds its assessment of Soviet activities, and aid that another Soviet attempt to test a killer satellite appears to have failed.

A department spokesman said at night that, for the fifth time in 15 months, the USSR has tried and failed to test a satellite designed to seek and destroy enemy satellites. The test involved two Cosmos satellites, he said, which were launched on May 20 and May 22. The second of them failed to intercept the first.

The spokesman said that the first Cosmos was still in orbit but the second dropped out of orbit and into the Pacific. Of the five tests held since February, 1976, he added, the department considers that two were almost certain failures and three were possible failures.

However, the U.S. is seriously concerned by the potential of the so-called killer satellites and Disarmament Agency had no comment on this to-day, but it is understood that the refitting of the missiles is among the subjects being discussed in the current arms control talks. The U.S. Administration does not feel that the refit is beyond the point at which it can be scaled down as part of an eventual arms control agreement.

Last November, the Defence Department conceded for the

\$6 Alaska pipeline tariff

By STEWART FLEMING

NEW YORK, June 1.

ARCO Pipeline, one of the eight shareholders in the \$50m. Trans-Alaska pipeline has filed an application for a \$6.04 tariff to be charged to oil companies sending crude from Alaska's Arctic oil fields down the 600-mile pipeline to Valdez.

Arco is the first of the owners to file with the Interstate Commerce Commission (ICC) which regulates pipeline charges and the rate it is seeking is expected to give some indication of the charges which the other pipeline owners will seek. These include both British Petroleum with a 15.84 per cent. stake in the pipeline and Standard Oil of Ohio (Sohio). BP's partner in Alaska, with a 33.34 per cent. stake, Arco pipeline, a subsidiary of the Atlantic Richfield Oil Company, which first struck oil in Arctic Alaska has a 21 per cent. holding in the line.

The charges which the oil companies make for sending Alaskan crude through the pipeline 800 miles to the ice-free Alaskan port of Valdez are likely to be one of the most controversial issues yet to be decided in relation to Alaskan oil.

One of the reasons for this is that the profits which the oil companies who own the pipeline make from operating it will be taxed at a lower rate than will be applied to the oil itself.

Since the biggest pipeline some years to resolve.

CANADA'S ATLANTIC PROVINCES

In line for the pinch if Quebec drives its wedge

CANADIAN PAPERS have a winter still lingers on work for it: Bangladesh they When the three Maritime provinces, Nova Scotia, New Brunswick, and Prince Edward Island, considering the fate of the country'sick, and the easternmost provinces if Quebec joined Canadian confederation should break away from Canada.

The term is intended to describe not only the geographic separation of these provinces from the rest of Canada in case Quebec goes. It also pinpoints their relative poverty. Atlantic Canada has for long been dependent upon financial support from the rest of the country in the form of cash contributions to the provincial governments from Ottawa; welfare payments, and a variety of investment grants.

By and large that has made the provincial governments staunch supporters of federalism, though especially in Newfoundland the whole idea of confederation is occasionally damned with the thought added that free trade or an even closer link with the U.S. might help. Only there is not a shred of evidence that Washington is interested.

The Economic Council of Canada, an independent advisory body to the Government, has blamed a less qualified work force and insufficient managerial skills for the backwardness of the region besides its geographic disadvantages. Indeed, the pace of life seems slower than farther west. But there are some compensating advantages which, who during the boom have returned to find at least seasonal employment in forests and fisheries. The pre-industrial pattern of fishing in summer and lumbering in

success in a few cases. Newfoundland led the way with advantages: Under boom conditions, at any price and tions it might: at present the oil price is belli

What all this means is that the economic future of the region is going to remain more closely dependent than had been hoped upon its natural resources. Thus the 200 mile fishing zone introduced at the beginning of this year should lead to improved conservation and greater scope

The oil crisis and the recession of the mid-1970s greatly changed the basis for all these endeavours.

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WORLD TRADE NEWS

Pakistan
Opposition
calls for
protestExports to Europe
of S. African steel
to be drastically cut

BY ROY HODSON

A SOUTH AFRICAN attempt to year, in other steel products penetrate British and continental markets with large quantities of steel has come to a sudden end.

Diplomatic pressure upon South Africa by Britain and the EEC has led to an agreement under which South Africa will considerably reduce shipments to Europe of steel products, satisfied that exports to Britain and South African authorities will disclose figures. But it is clear that the new agreement means the end for the time being at least of South African ambitions to create a new export market in Europe for steel.

In the sensitive market of reinforcing bars for the construction industry, South African exports to Britain and the continent have been vaguely undercutting domestic producers. Some 44,000 tonnes of South African reinforcing bars were sold in the British market last year. The previous year, South Africa had not sold that commodity to Britain.

South African producers have also made big inroads into the British market during the last

Industry
presses
government
over Japan

By John Elliott

THE BRITISH Government same under pressure yesterday from leaders of both sides of industry to find early ways of tackling threats of Japanese goods making inroads into UK markets, before they harm British industry.

This emerged at a meeting of the National Economic Development Council when Mr. Edmund Dell, Secretary for Trade, reported on his recent visit to Japan and explained British policies to industrialists and union leaders on the council.

Following the agreement between the South African government and the Commission, the British Trade Department has agreed to suspend anti-dumping investigations into imports of reinforcing bars, light sections, and flats. Also, the department is removing the provisional anti-dumping duty on South African reinforcing bars of £88 a tonne, imposed last December.

Most of these were in mechanical or electrical engineering, and especially concerned all sections of the vehicle industry, the diesel engine industry, and companies producing office machinery.

"The view of our working parties is that we do not want the Government to wait for threats to become reality. One has to counteract the Japanese single-minded marketing policies," said Sir Ronald, adding that list of potential danger areas ought to be prepared.

In a memorandum presented to the council meeting, Mr. Dell said that there was a serious imbalance of visible trade with Japan—1976 exports totalling only £359m., compared with imports of £796m. But, he added, the U.K. had a greater visible imbalance with six other countries and a surplus on visible trade with Japan which he estimated at more than £225m. a year.

"The basic problem with Japan is not so much the imbalance as the concentration of Japanese exports on a limited number of sensitive areas, and the difficulties our manufacturers, particularly of industrial goods, have in selling in Japan. This is not so much a matter of specific and identifiable tariff and non-tariff barriers, but a general reluctance of Japanese purchasers of industrial goods to source their requirements from abroad."

BY ROBIN REEVES

U.K. tariffs on Spanish industrial goods to fall

BRUSSELS, June 1.

A SUBSTANTIAL reduction in U.K. tariffs on Spanish industrial goods will take effect on July 1, as a result of negotiations between the EEC and Spain at updating the 1970 EEC-Spain trade agreement.

The talks failed to strengthen and broaden the economic content of the 1970 accord, as was envisaged when the discussions first opened. It was decided instead to hold over negotiations on substantive changes to the agreement until the autumn.

However, to avoid legal complications, both sides have agreed to apply the provisions of the original 1970 agreement on the EEC common external tariff on industrial goods coming from Spain, as do the original members of the Community. The reciprocal cut in Spanish industrial tariffs on the other hand, is only 20 per cent. of their full level.

BY ROBIN REEVES

VENEZUELAN RAILWAY SYSTEM

Consortium plan stalled

BY JOSEPH MANN

PROGRESS ON forming an international consortium to build the first leg of Venezuela's railway system has bogged down, and partners in the venture have not yet had substantive talks on putting together a new group which would satisfy both the Venezuelan Government and the partners themselves.

Sources involved in the rail negotiations said it was difficult to merge two different consortia which offered two distinct packages for building the railway.

The future associates in this venture are also awaiting clarification from the Venezuelan Government on technical aspects of the railway. Original specifications were not well defined.

It was obvious when the Government announced its decision to call in the Canadians and the Spanish-Venezuelan company

that none of the participants were excessively pleased with the steel facility in Ciudad Guayana is raising production to 45m. tons a year. Existing facilities for transporting the steel to domestic markets are limited to highways.

Steel could more easily be shipped to foreign ports using the Orinoco River, which flanks

the steel works, but the Government intends to use Ciudad

Guayana steel to meet domestic demand.

CARACAS, June 1.

One local businessman said the Venezuelans were unrealistically trying to get the benefit of the lowest bid—made by Canada—and the advantages of technology from a Spanish-speaking country by forming a "potentially incompatible consortium."

The reluctant partners have already missed one deadline for proposing a new consortium (May 14), but the Government has advanced the presentation date to the middle of this month.

One basic problem for the Government is that its steel

facility in Ciudad Guayana is

already maxed out.

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HOME NEWS

BNOC seals participation deal with BP

BY RAY DAFTOR, ENERGY CORRESPONDENT

THE STAGE has been set for British Petroleum and its State-owned British National Oil Corporation to become closely linked in refining and marketing activities.

A wide-ranging State participation deal concluded yesterday says that BP and BNOC will seek to establish a long-term basis for downstream co-operation in the U.K.

It is the first of a series of agreements covering Government involvement in oil activities to be signed with a number of groups within the next few weeks. But it is clear that BNOC will be leaning particularly heavily on BP's marketing interests.

An expected BNOC has gained access to up to 51 per cent of all BP's crude produced from its interests in the North Sea. These include the big Forties Field, the Ninian Field and—should they be developed—the Magnus, Andrew, Buchan, Malet, Andrew, Bruce and Crawford fields.

If BNOC buys its participation share of output, it will pay the full market value. As expected, BP has safeguarded its refining operations by retaining the right to regain much of the participation crude oil, either through swap-back arrangements or under buy-back agreements.

In the next 18 months, for instance, all the oil BNOC buys will be sold back to BP; between 1978 and 1981 BNOC will retain only 12 to 16 per cent of production. During the period 1982-1989 BNOC and BP will operate a fixed contract, with the Corporation retaining 16 per cent of output in 1982 and 12.75 per cent in the remaining years.

Mr Anthony Wedgwood Benn, Energy Secretary, said the

agreement was of "major significance" in the development of BNOC. The Corporation would have an effective voice in the running of all commercial oil fields in which BP has an interest.

The agreement, signed by Mr. Wedgwood Benn, Lord Keanon, chairman of BNOC, and Mr. David Steel, chairman of BP, is unique in the way it links the two undertakings in refining and marketing activities.

BNOC says that it has no intention of entering these downstream areas before the early 1980s. In the meantime, its staff will learn the business under training schemes operated by BP Oil, the U.K. marketing wing of British Petroleum.

Marketing

Corporation staff will learn about oil refining and marketing as well as chemical manufacturing. This agreement, covering downstream relations, expires at the end of 1981.

It remains to be seen how the long-term co-operation agreement will develop, although Mr. Wedgwood Benn and the Corporation regard this statement as a key component of the participation deal. BP is taking a relaxed view of its implications.

The company feels that it merely leaves the door open to possible co-operative agreements where those might be regarded as mutually desirable.

It was emphasised that it will not inhibit BP Oil from progressing its development plans over the next few years.

But it was recognised in the oil industry that the long-term co-operation clause in the agreement would lead to future joint ventures between BP and BNOC.



THE SIGNING of the BNOC-BP participation agreement in London yesterday. Left to right, seated, Mr. Jack Birks, a director of BP Trading; Lord Keanon, BNOC chairman; Mr. Anthony Wedgwood Benn, Energy Secretary; and Mr. David Steel, chairman of BP. In the background are the officials responsible for drawing up the agreement.

BP sales prospectus portrays bright outlook for operations

BY MARGARET REID

AN ENCOURAGING portrayal of trends at British Petroleum and of the outlook for its major North Sea and Alaskan operations will be contained in the prospectus for the Government's forthcoming £600m sale of a 17 per cent shareholding in the group.

The disposal will reduce the State interest in BP, which today reveals its first quarter profits, from 68 per cent to 51 per cent.

The offer, the largest ever launched, of some 65m shares, is expected, on present plans, to be unveiled on June 14. But the timetable for the sale, unprecedented in complexity as it is, has not yet been finalised.

Intensive discussions are continuing on important aspects of the operation. It is planned to make between 20 per cent and 25 per cent of the shares in

question available in the United States market. The precise proportion to be offered on June 14 could reveal not only the total quantity of shares to be offered but also the price at which the whole issue had been underwritten in sterling.

The detailed prospectus would then be published a few days later, with applications in Britain invited shortly afterwards.

While procedure for the U.S. offer is still not settled, one possibility would appear to be that while the prospectus would be simultaneously published in London and New York, the offer price of the shares to U.S. investors would not be finalised until rather later.

This would allow an interval acceptable to the SEC for appraisal before terms of the offer, through the separate U.S. market, eventually crystallised.

At present, and with the reservation that arrangements in

Warning of anti-EEC poll alliance

By Philip Rawstorne

LORD HARLECH, chairman of the National Committee for Electoral Reform, yesterday warned of the dangers of an "unholy alliance" in the Commons against direct elections to the European Parliament.

The combination of "anti-Marketeteers who want to fight the referendum campaign all over again, and the blinkered first-posters who put their perception of their party interests first" could defeat the legislation, he told the committee's annual meeting in London.

It would be a tragedy if that alliance prevailed," he added.

Lord Harlech, urging the Government to bring forward a Bill for the elections based on a system of proportional representation as soon as possible, said:

"The last 12 months have seen significant advances in support for electoral reform and in the public awareness of the arguments in favour of it."

He said that the committee's campaign would try to focus the issue and have a voice to the great mass of the British people who value fairness and good sense above the partisanship of the adversary warriors."

To support these retail promotions, Green Shield will also be advertising heavily on television. The Green Shield campaign will begin on Tuesday night and on Wednesday evening. A media blitz will start with a series of cut prices.

Yesterday Green Shield claimed it had "bounced back" from the Tesco blow. More than half the franchises dropped by Tesco, it said, had already been filled and there were more to come.

doing the same job in the same conditions."

She said employers could be reassured that they were not risking more industrial accidents or damage to equipment by employing immigrant workers.

The researchers were concerned at concentration of immigrant workers in certain areas of work, and immigrants did not appear to be working their way up through industry's structure to "any marked extent."

"One of the things that came out right from the start was that immigrant workers are not performing the same tasks as indigenous workers," she said.

Workers in administrative grades were omitted from the research because there were so few immigrants in those grades.

The researchers recommend that industry make a determined effort to use skills of immigrant workers by not concentrating them in some areas and excluding them from others, expanding opportunities for skilled craft training; provide language training; display safety notices in different languages; and improve promotion prospects for immigrants.

Green Shield's retail promotion

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

GREEN SHIELD is to launch an expensive promotional campaign next week in an attempt to maintain its trading stamp sales after Thursday, when Tesco ceases to give away stamps in all its 700 stores.

All Green Shield's 8,000 outlets will be running a double stamp promotion partly financed by Green Shield stamps are compatible with cheap prices.

Green Shield will also be offering double stamps across the whole range of goods they sell. In others, they will be giving double stamps only on selected items.

To support these retail promotions, Green Shield will also be advertising heavily on television. The Green Shield campaign will begin on Tuesday night and on Wednesday evening. A media blitz will start with a series of cut prices.

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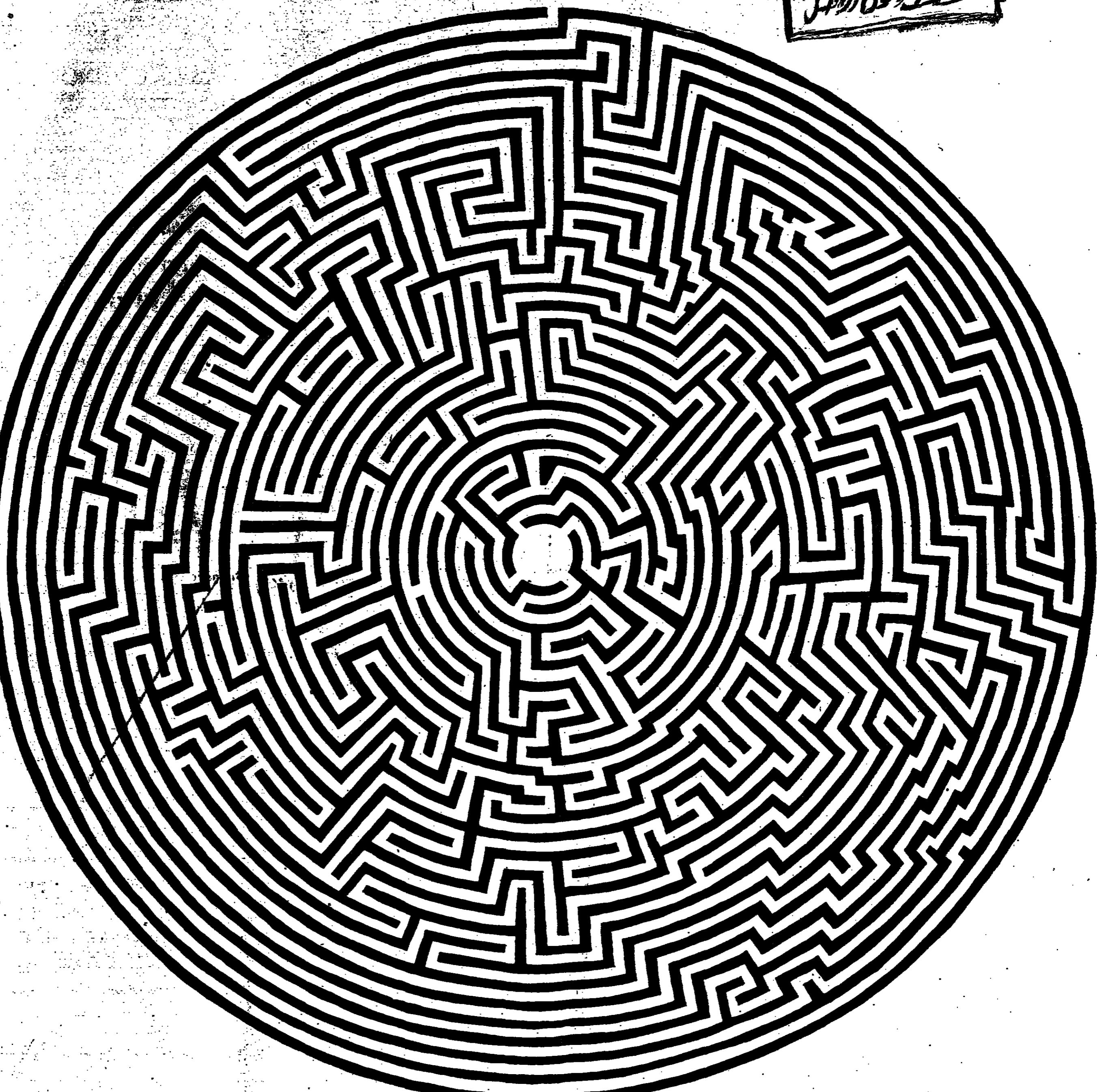
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helped solve this particular financial problem. And perhaps advise you on any that you might have. By the way you'll find the solution to the maze on a later page.

HOME NEWS

Wall's plans £2.5m. factory

By Our Consumer Affairs Correspondent

WALL'S MEAT, the Unilever subsidiary which has made heavy losses for several years, is to build a new factory in the Midlands at a cost of £2.5m. Most of the money for the new development is coming from Unilever, and the Government has made a contribution under the Aid to Industry Act.

The new factory will replace the existing Richmond works at Evesham. It will manufacture pastry products, including meat pies, and will have a production capacity of 11,000 tons a year. This is nearly 65 per cent. more than the existing factory's capacity.

The new plant is due to be completed in September next year. The 500 workforce will transfer to the new premises in stages.

Unilever has been losing money on its Wall's meat business for some time. In its last annual report, the company said the losses were still soaring. As part of a re-organisation, it has closed one plant at Hares, in Middlesbrough, but has spent money on improving its factory outside Manchester.

Wall's, like all other British meat processors, suffers from its dependence on pigs bred in the UK, which because of the EEC subsidy, makes it difficult to compete in price with imported bacon products.

The demand for both sausages and pastry products, however, is growing, partly reflecting the way housewives have been turning to cheaper products during the last year.

Recently, Wall's re-launched its range of meat pies and sales are now running 50 per cent. up on last year's level.

Job threat to young doctors warns NUS

By Michael Dixon.

UNEMPLOYMENT among newly qualified doctors will rise to 300 by 1984 unless the Department of Health creates more pre-registration posts in hospitals, according to the National Union of Students.

"It costs £40,000 to train a doctor," said Mr. Tony Burch, convener of the union's health group, in London yesterday. "That would be £20m. going down the drain if 500 doctors are left unemployed."

He added that expansion of medical courses and changes in their length were already causing problems for London students in finding the hospital jobs they are obliged to take before becoming full registered for practice.

The Health Department's own figures indicated that there would be a shortage of 50 posts by 1981 and 300 by 1984 when 4,150 doctors were due to qualify. The department was supposed to increase the number of pre-registration jobs. Mr. Burch said, "but I do not see any way that is going to happen with hospitals and wards being closed."

Shipping policy adviser

Mr. E. Y. Bannard, an assistant secretary in the shipping policy division of the Department of Trade, will join the General Council of British Shipping on July 4 as its foreign relations adviser. This is a new appointment because of the importance the industry attaches to foreign shipping policy issues.

Mr. Bannard, 37, was involved in shipping policy issues in both the Department of Trade and the Board of Trade over a number of years.

Study sought on plan for Severn Barrage

By Ray Dafter, Energy Correspondent

PRESSURE is mounting for the Severn Barrage Group—a group of businessmen and scientists—to set up a full-scale feasibility study into the construction of a £2bn. to £3bn. Severn Barrage.

This is likely to be one of the main recommendations of the Commons Select Committee on Science and Technology which is reviewing possible energy resources.

The committee is expected to publish its main report next month, but it is likely to be autumn before it presents a separate report on the potential for turning the River Severn's tidal power into hydro-electricity.

Mr. Arthur Palmer, chairman of the committee, and the Energy Resources Select Committee, told a Severn Barrage Arts yesterday that the fact that the scheme deserved a special report was indicative of the importance attached to tidal power.

"Whatever energy we can develop successfully and economically outside the nuclear on the barrage, it would assist in the project. It concedes that the extra cost of producing electricity by means of a barrage could be twice as expensive as nuclear power."

The board has told the Government that while it would not take a lead in a national study of concrete platforms for North Sea development could be useful in the building of a barrage.

Delegates at the forum also heard that the barrage could spawn a new regional development plan. Both the Cardiff and Bristol Chambers of Commerce have called for a general review of the various barrage schemes in the light of rising costs for other fuels, a possible energy shortage and improving technology.

Mr. Benn, a leading anti-market campaigner during the referendum, is among the minority of Cabinet Ministers who have been resisting the introduction of Government legislation to meet the target date for direct elections next year.

Ironically, the civil engineering industry feels that knowledge gained in the construction of concrete platforms for North Sea development could be useful in the building of a barrage.

Another article casts doubt on the usefulness of the quarterly survey of company liquidity, covering more than 200 of the largest industrial and commercial companies in the UK, as a guide to the movements in companies as a whole.

A comparison quoted shows that the survey figures do not necessarily provide a good indication of what is happening to industrial and commercial companies as a whole.

Nevertheless, the survey covers an important group of companies which account for about a fifth of the current assets and liabilities of all industrial and commercial companies says the article.

The comparison, says the article, shows that while the survey and the national figures for all industrial and commercial companies have shown similar broad cyclical movements, the liquidity of the companies in the survey has fluctuated more widely than that of all companies.

The liquidity ratio of the survey companies fell to 41 per cent. at the end of 1974, recovering to reach 67 per cent. in early 1976. For all industrial and commercial companies the ratio fell only to 58 per cent. at the end of 1974 and recovered to 69 per cent. by early 1976.

The figures are contained in a special article introducing a revised presentation of public sector debt figures bringing the

figures of outstanding debt held by the private sector reached nearly £74bn. at the end of March 1976, an increase of £12.3bn. compared with a year earlier, according to the latest issue of Economic Trends.

Expressed as a percentage of gross national product in the two years, though the increase was only 2½ percentage points.

Of the total increase, £10.6bn. was taken up by domestic holders and £1.7bn.—mainly in foreign currencies—by overseas holders. The proportion of the debt held by domestic and overseas holders has changed very little over the last five years.

It is by no means comprehensive as a measure of Government indebtedness, however, and is affected by the extent to which other public sector bodies—local authorities and public corporations—raise the finance they need by borrowing from central government rather than directly from the market.

The article concentrates on a definition of public debt which

includes the whole of the public sector borrowing requirement.

The article points out that in the past most attention has been attracted by a narrow definition of Government debt, the national debt. This concept has the advantage of being relatively quick and easy.

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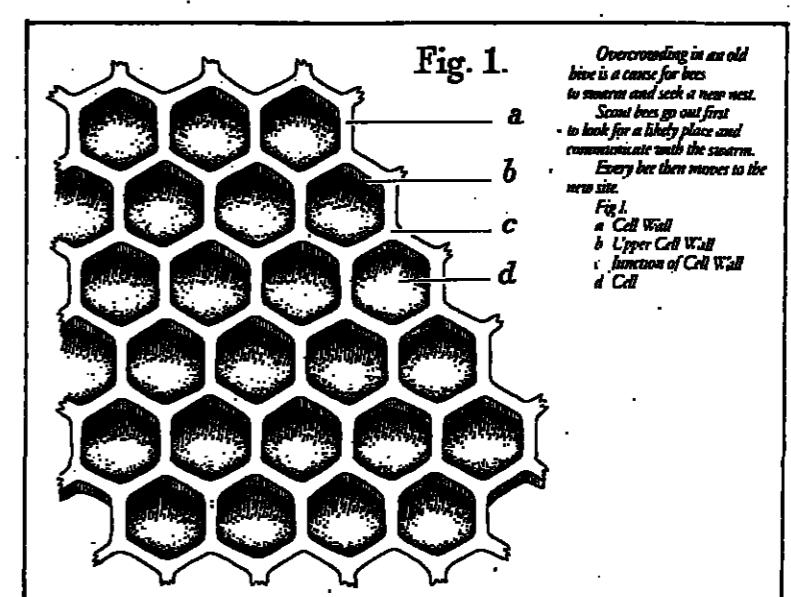
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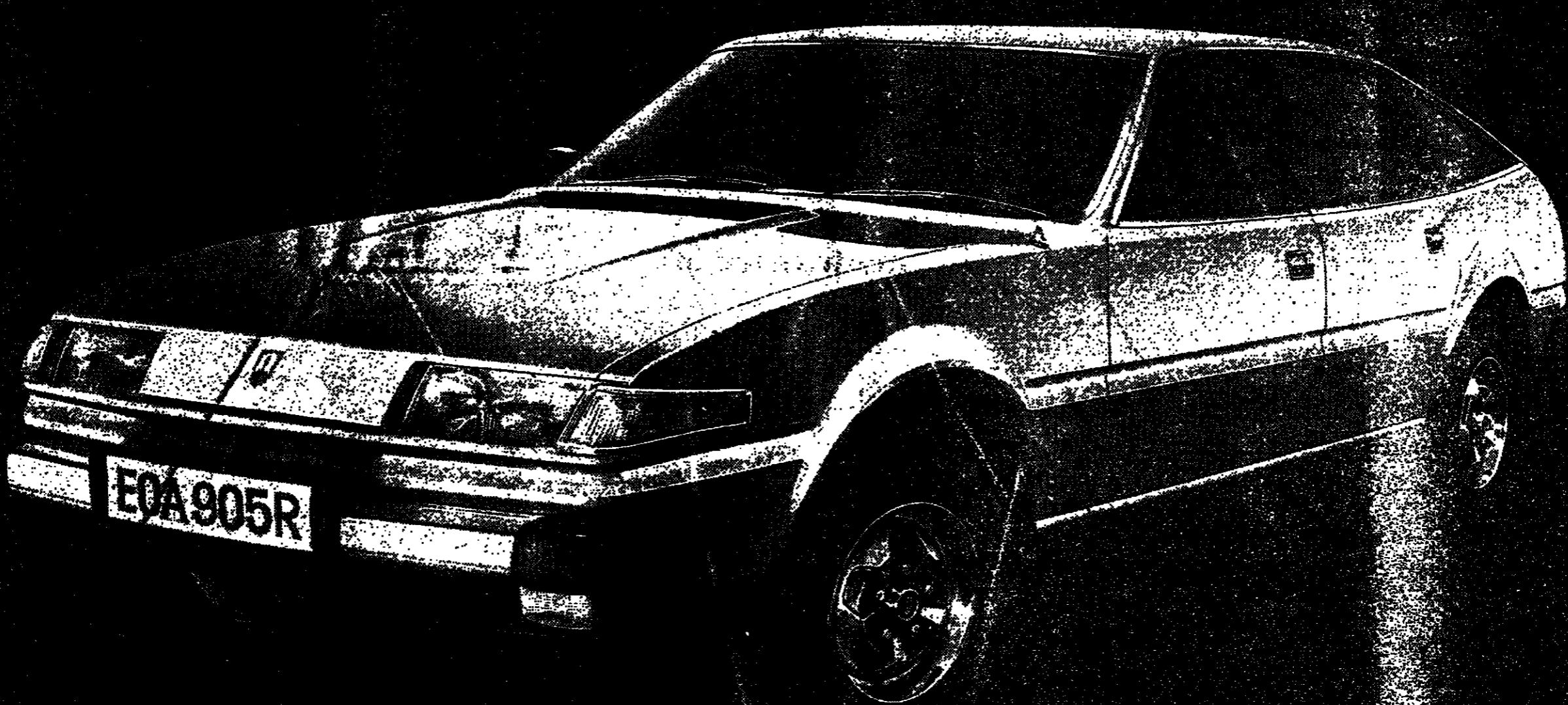
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The Rover 3500 is the first production car to carry the new Triplex Ten Twenty windscreens as standard. Ten Twenty itself won the AA Gold Medal and Don Award commendation.

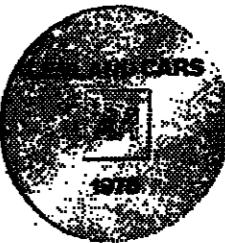
And the Rover 3500 can be fitted with Dunlop Denovo 'run-flat' tyres as an optional extra. Denovos are another Don Safety Trophy-winner.

The Rover 3500. It's safe to say it's pretty safe.



Rover 3500

Winner of the AA Gold Medal, 1976.
Winner of the Don Safety Award, 1976.
Europe's Car of the Year, 1977.



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John Holt & Company (Liverpool) Limited, una organización de comercio internacional que transacciones en muchas partes del mundo abarca una amplia variedad de artículos, desea ahora explorar y establecer relaciones con los mercados de América Central y América del Sur.

Estamos buscando a un hombre de talento que reúna las cualidades de eficiente vendedor, comprador, exportador y, sobre todo, hombre de negocios prospero, con conocimientos de los mercados mundiales.

El trabajo consistirá en relacionarse con empresas en todas partes de la América Latina, con vistas a establecer convenios de venta, oportunidades de privilegio y salidas para la distribución de una gran variedad de artículos.

De más de 35 años, testar experiencia de los mercados de América Central y América del Sur, ya por residir allí o haber viajado extensamente por toda la zona. Habrá el

castellano y/o el portugués con soltura, y también será necesario que domine el idioma inglés, pues trabajará en estrecha colaboración con nuestra oficina principal en Liverpool.

El salario y condiciones de empleo serán asunto a negociar, y atenderá a hombres de negocios con experiencia, acostumbrados a negociar acuerdos comerciales a alto nivel.

Se va a remunerar (en inglés), y en absoluta reserva, detalles tanto personales como de carrera y salario, al Group Personnel Manager, John Holt & Company (Liverpool) Limited, India Buildings, Liverpool L2 0QF, England.

**John Holt & Co.,
(Liverpool) Ltd.**

Group Financial Controller
Liverpool

£8000+bonus+car

Our client, a leading international commodity trading group with a turnover of £200 million, requires a Chartered Accountant aged 35/45 for its head office in Liverpool. This is a new appointment due to rapid growth in recent years.

The Financial Controller (male/female) will be responsible to the Financial Director for the consolidation of the financial and management accounts of over 20 companies throughout the world and will visit them occasionally. Advanced EDP systems

for trading and accounting records are being installed at the main UK operating company. Responsibilities will also include control of the computerisation, the development of management information and the financial reporting of the subsidiaries. Applications, which will be treated in strict confidence, should include full details of career and salary progression. Please write to: R.J. Ellison (ref. 2194/B).

Deloitte, Haskins & Sells, Management Consultants,
P.O. Box 207, 128 Queen Victoria Street, London EC4P 4JX.

Estates and Project Manager

Chemical Bank is a major American International Bank and employs approximately 16,000 staff worldwide. In order to assist with the Bank's international property programme, applications are invited to fill the newly-created position.

The person appointed will report to our International Real Estate Co-ordinator and will be responsible for:

- Handling the acquisition and disposal of premises including lease reviews and associated legal matters.
- Instructing architects and negotiating with contractors, coupled with the general supervision of construction work.
- Dealing with all aspects of office relocation.

It is envisaged that initially the duties will cover development and refurbishment programmes at present being carried out in Europe. Although the position will be London-based, a considerable amount of travel will be involved.

Ideally we are looking for a chartered surveyor/architect but applicants, male or female, with considerable practical and directly relevant experience will also be considered. Knowledge of a European language is desirable but not essential. It is unlikely that anyone under the age of 30 will have gained the required experience.

In addition to an excellent starting salary, an attractive benefits package will be provided including low-cost mortgage, non-contributory pension scheme, B.U.P.A. and profit sharing.

Please write fully, including details of present salary to: Tony Smith, Deputy Personnel Manager, Chemical Bank, Chemical Bank House, 180 Strand, London WC2R 1ET.

CHEMICAL BANK

FINANCIAL CONTROLLER
EUROPE

U.S.-based company requires an International Controller to handle European accounting and financial affairs of wholly-owned subsidiary about to be established, possible location Holland or Belgium.

Successful candidates will have 5-10 years' experience in senior financial management with medium sized companies. Experience in international operations desired.

Please submit resume to:

INTERSIL INCORPORATED
8 Tessla Road, Reading, Berkshire RG1 8ND
Tel: Reading 595011

Attention: Paul Araquistain

Interviews will be conducted in London and Amsterdam commencing June 13th.

Please give telephone number where you can be contacted.

FINANCIAL CONTROLLER
AUSTRIA Salary U.S. \$20,000

A major international U.S. toiletries and cosmetics company requires a controller for its subsidiary in Vienna. The subsidiary is now embarking on a phase of major expansion in which the controller will be expected to contribute to the overall management policy. Candidates must speak German and should have a professional qualification and good experience of international accounting methods and reporting procedures. The financial controller will be expected to organise financial and administrative systems and to control the financial department. Salary will be negotiable in the region of U.S. \$20,000 dependent upon qualifications and experience. Re-location expenses will be met. Applications with career details and salary history, should be sent quoting "reference J.D.A." to

Champion King Advertising Ltd., 7a Paradise Road, Richmond, Surrey TW9 1RX

Credit Analyst

International Merchant Bank

c. £5000

This is an ideal opportunity for a young banker to build a career in international banking with one of the most firmly established City Consortium Banks.

The job entails the analysis and interpretation of companies' financial statements, upon which to base recommendations in respect of proposed and existing credit arrangements, and also involves attention to the taking and perfecting of appropriate security.

The Bank seeks a young A.I.B. with a general banking background that incorporates direct experience of Advances and with both the perception to recognise and the ability to capitalise on the excellent prospects for advancement.

To discuss this matter in detail and in confidence, please telephone John Chiverton, A.I.B. on 405 7711.

David White Associates Ltd.

Hampden House, 84, Kingsway, London, W.C.2.

Export Finance

Merchant Banking

Due to continued expansion of our Export Finance Buyer Credit Division, we need two more Bankers experienced in project financing.

Grindlay Brandts is one of the largest lenders in the Eurodollar market and recently succeeded in completing the first unsolicited ECGD Dollar Buyer Credit. In order to join us you will need to have had at least three years' experience in the negotiation of Buyer Credits with overseas customers, UK industrialists and ECGD.

The total remuneration package, which includes generous mortgage assistance, should not be an obstacle for the right person.

Please write, with full career details, to:

Grindlay Brandts

Mr. T. C. H. Macafee, Manager, Recruitment, 36 Fenchurch Street, London EC3P 3AS.

**ASSISTANT TO
GROUP TREASURER**

MANCHESTER

TOOTAL is a large international group with a turnover in excess of £320m, of which about half relates to overseas companies and exports from the U.K.

The work will involve all aspects of raising finance and investing and monitoring its use both inside and outside the business. Early emphasis will be on group currency cover routines and cash management.

The candidate will probably be in his or her late 20s or early 30s and ideally should have an Accountancy qualification or an Economics or similar degree, along with relevant experience with a multi-national company or bank. Those who only meet some of these requirements, but are equal to the post and its potential, should not be deterred from applying.

Job satisfaction and excellent career prospects together with an attractive salary are the rewards offered to the right applicant. Please write in the first instance to:

**GROUP APPOINTMENTS MANAGER,
TOOTAL LIMITED**
56 OXFORD STREET, MANCHESTER M60 1HJ.

Senior Field Auditor

UK and Europe

This key appointment is with a major expanding international construction equipment company and offers outstanding future career prospects for a qualified accountant aged 26-35.

The person selected will lead a team of Field Auditors operating in the U.K., with additional assignments on the European continent. Ability to liaise with line management in manufacturing sales and service operations will be a prime responsibility.

Candidates, male or female should have had previous professional or industrial auditing experience and be accustomed to evaluating accounting and internal controls on a multi-national basis. A knowledge of U.S. accounting and reporting techniques is necessary; previous

overseas experience and fluency in Spanish and French or German would be ideal.

Although the post is based in Northern England, there will be a considerable amount of European travel. The salary is negotiable around £9,000 and there are excellent fringe benefits.

Assistance with re-location will be given if necessary.

(PA Personnel Services Ref. AA33/6000/F/T)

The identity of candidates will not be revealed to our clients without prior permission given during a confidential discussion. Please send brief career details, quoting reference number to the address below, or write for an application form, and advise us if you have recently made any other applications.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6050 Telex: 27874



A member of PA International

PROFESSIONAL and EXECUTIVE RECRUITMENT

**ECONOMIST
PROJECT EVALUATION - U.A.E.**

One of the top three commercial groups in the Gulf area has an opening for an Economist to work with the Director of New Projects.

This is a challenging opportunity for an Economist to apply his formal skills in a fast moving, commercial environment.

The successful candidate will possess a Degree in Economics or related subject and have had at least 5 years' experience in Commerce, Banking or Economic Research. Experience of project evaluation and project funding would be an advantage.

This post will attract a tax-free salary circa £12,000 plus excellent housing, car and significant fringe benefits in one of the most attractive locations on the Arabian Peninsula.

Your name will not go forward to our Client until you have had a full briefing on the job and have given your consent. Please send a summary covering employment history, achievements, current position and age.

Ion R. Hetherington
RDC (International) Limited
26 Doret Street
London W1M 3FU

A management consultancy specialising in recruitment and licensing in Great Britain



INSURANCE SECTOR ANALYST

Applicants must have had at least two years' experience in a research department in the insurance sector and have the ability to put his (or her) ideas over to both colleagues and clients. The right person will probably be aged between 25 and 30, though an older person would be considered, and will be anxious to share in the firm's profits as soon as possible.

Write in confidence with full details of education and career to date to the Staff Partner, Grieveson, Grant & Co. P.O. Box 191, 59 Gresham Street, London, EC2P 2DS.

GRIEVESON, GRANT & CO.

FOREIGN EXCHANGE IN PARIS

LEADING NEW YORK BANK SEEKS SENIOR DEALER FOR ITS PARIS OFFICE

Applicants must have had at least five years' experience in an active trading room and be fluent in French.

Salary and other benefits are negotiable.

Reply in confidence stating age and experience to Box A.5972, Financial Times, 10, Cannon Street, EC4P 4BY.

CREDIT ANALYST

An American-owned financial organisation is seeking a Credit Analyst, aged in the mid-20s, with a good reading knowledge of French.

The position will report directly to the Credit Manager for Europe and will involve such responsibilities as analysing credit files submitted by European affiliates for recommendation to the Credit Committee. Salary will be based on applicable experience.

Applications should be sent in strict confidence to:
Box A.5974, Financial Times,
10, Cannon Street, EC4P 4BY.

ROWE & PITMAN, HURST-BROWN

has an attractive opportunity in the Research Department for a young investment analyst to specialise in the electrical sector and to assist in maintaining the Firm's extensive connections in the electrical industry.

We look for an applicant with some experience as an analyst, preferably but not necessarily in the electrical sector. The applicant must have the ability to write research material to a high standard; for an ambitious analyst the position has excellent prospects.

Salary negotiable according to qualifications and experience. Non Contributory Pension Scheme and good life assurance cover.

Applications with C.V. in confidence to:

P. N. Smith
ROWE & PITMAN, HURST-BROWN,
1st Floor,
City-Gate House,
39-45 Finsbury Square,
London EC2A 1JA.

An exciting career opportunity for a young banking specialist up to £7000 + car

We are one of the top companies in the U.K. computer services business - part of an international network. Our major clients include foreign and merchant banks and other financial institutions in the City of London who use us for on-line foreign exchange and financial/corporate planning systems. Expansion of these services into new areas within banking creates an exceptional opportunity in our sales team for a young ambitious banking specialist. It offers a stimulating change from a mundane desk job to a more active and rewarding career. We will train you both in-house and in the field. You will learn how our customers benefit from our services thus enabling you to eventually sell to new customers. For a while you'll travel around with or have close supervision from a senior sales executive.

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COMSHARE
making the computer make sense

Financial Director Designate

c. £15,000

A well known metal processing company which has a current turnover of £20 million plus and a record of solid and substantial growth, requires a Financial Director. He/she will succeed the present holder on retirement next year. Initially he/she will review, and where appropriate modify accounting policies and practices at head office and the three manufacturing locations. He/she will then take complete charge of the finance, accounting and management information functions and will play a full part in Board Room deliberations. He/she will investigate expansion projects and acquisitions and will take special interest in certain overseas subsidiaries. Candidates aged 35-45

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

INTERNATIONAL BANKING SHIPPING

Bankers Trust Company seeks to engage an Assistant to join its expanding global Shipping Group.

The ideal candidate will be age 26-29 and have a minimum of two years experience as a credit analyst in an International environment analysing multinational corporate credits. In addition some familiarity with the shipping industry plus a knowledge of general banking operations and a language will be advantageous.

He or she will join a marketing group covering Europe and the Middle East and be expected to progress towards assuming marketing responsibilities within 12 months.

An excellent salary will be offered commensurate with qualifications and experience plus fringe benefits normally associated with a First Class Banking Institution in the City of London. Letters of application may be submitted in complete confidence and should enclose a detailed curriculum vitae with if possible a recent passport photograph.

Please write to:-

Mr. P. C. Taber,
Personnel Administration,
Bankers Trust Company,
9 Queen Victoria Street,
London, EC4P 4DB

Finance Director

£10,000-£15,000
Surrey/Hants border

An autonomous subsidiary of a major UK public company is looking for a Finance Director following the promotion of the present Director.

The company is located within easy reach of London and is a major service to business of all sizes - a national basis. This is a Board level appointment and the successful candidate will be responsible to the Managing Director for the finance, data processing and planning functions.

Essential requirements:

- qualified accountant aged 35-45
- currently earning in excess of £7,500
- has had responsibility for both accounting and data processing functions
- knowledge of taxation

Replies, giving full details of qualifications and experience will be forwarded in confidence to the management consultants who are advertising on this appointment.

JWT Recruitment Limited (SS1/PT)
40 Berkeley Square London W1X 6AD

EVANS EMPLOYMENT AGENCY LTD.

will welcome your enquiries in strict confidence about positions in

STOCKBROKING AND BANKING

15, Capthall Avenue, London EC2R 7BT. 01-428 0985

Our client, an American multi-billion dollar company specializing in the development, manufacturing, marketing, installation and servicing of complete business systems for selected worldwide markets, is seeking qualified candidates for the position of

Executive Assistant to the Managing Director

for its subsidiary in Tehran.

We'd like you to be aged 24-28, ideally with a degree and have 4-5 years' experience preferably within a foreign or merchant banking environment. But equally important is a keen desire to change your career course and the confidence and potential to succeed in a sales role.

We value your banking knowledge and will pay you with commission up to £7000 for your first year with us. Our attractive benefits include Company car and expenses, BUPA, pension/life assurance scheme, etc.

We're a young organisation - individually and as a Company. So if you're seeking a dynamic activity where personal effort is encouraged and rewarded phone Nicholas Birdie on 01-222 2652 or write to him at -

administration and personnel as well as asset management.

The ideal candidate should have several years business experience, with particular emphasis on accounting and finance, and be under 40 years of age.

Interested applicants are requested to submit to us in confidence a detailed resumé with salary requirements.

Personal interviews will be held in London and on the Continent within three to four weeks.

Charles Barker GmbH

Management Selection International

Kettenhofweg 137 - 6000 Frankfurt 1 • West Germany

Tel: 0611-749074 Frankfurt Office • Tel: 01-236-0526 London Office

Company Secretary (Designate)

London

For a profitable and expanding manufacturing and distributing group, annual sales c£75m. The Company Secretary Designate will report to the Director of Administration and Personnel who is also at present the Company Secretary, but who has become increasingly concerned with management generally. The successful candidate should be appointed Company Secretary after a short probationary period. Responsibilities will include the usual range of company secretarial duties, legal matters and some involvement in the personnel field. This appointment offers an opportunity to make a positive contribution at top level to a small corporate management team and duties will extend beyond those of an exclusively specialist role. Applicants, men or women, preferably in the age bracket 35 to 45, should be barristers or solicitors or have a law degree and have a sound practical knowledge of company and commercial law. Experience in a commercial/industrial environment would be an advantage. Although based at the London head office some travel in the UK will be necessary. A five-figure starting salary is negotiable together with company car, fringe and relocation assistance.

Please telephone Philip Egerton (01-584 5171) or write to him in confidence, quoting reference 3598/FT.

Inbucon/AIC

Executive Selection

197 Knightsbridge, London SW1R 1RN



Local Authority Dealer

We require a Dealer who is experienced in all aspects of the Local Authority Market.

Write in confidence, giving details of previous experience to:

MANAGING DIRECTOR,
KIRKLAND-WHITAKER (STERLING BROKERS) LTD.,
67 CHISWELL STREET, LONDON EC1Y 4XX.

CREDIT ANALYST

Due to expansion in our lending area we have an opening for a credit analyst who will join a team of analysts who provide support for our international lending activities.

The successful candidate will be aged 23 to 27, with a degree or other suitable professional qualifications, one to two years' experience in credit analysis, preferably obtained in an international bank. Initiative and the ability to assume early responsibility are important qualities.

Salary is negotiable plus usual fringe benefits associated with banking employment.

If you are interested in this position, please write enclosing a curriculum vitae or telephone for an application form to

Miss G. Bock
FIRST NATIONAL BANK IN DALLAS
60 Aldermanbury, London EC2V 7JT.
Telephone: 01-606 9111.

Saudi International Bank CREDIT ASSISTANT

Saudi International Bank wishes to recruit an additional Assistant to Lending Officers. Responsibilities include both credit analysis and marketing.

The successful candidate will probably be in his/her late twenties, with a relevant degree and/or professional qualification, at least 24 months' international banking experience (preferably including a period of formal credit training) and language skills. This is an opportunity to build a career with a rapidly expanding Bank.

Salary negotiable, excellent fringe benefits.

Please write, enclosing a detailed c.v., to:

The Manager,
Operations Division,
Saudi International Bank,
99 Bishopsgate,
London EC2M 3TB.

UNIVERSITY OF LONDON Deputy Superannuation Officers

Applications are invited from men and women for the post of Deputy Superannuation Officer. Under the control of the Superannuation Officer, the Deputy Superannuation Officer (D.S.O.) acts as Deputy Secretary to the Superannuation Arrangements of the University of London (SAUL), a self-administered scheme for non-teaching staff or related staff, having some 8,000 members and pensioners. It supervises the administration of SAUL, the systems for which are computerised, including records and payment of benefits. It also acts as Deputy Secretary to other University pension committees, and supervises the section dealing with the pensions, under a number of schemes, of the staff of the Central University.

A sound education is essential and a degree or professional qualification a desirable. Preference will be given to candidates with previous experience in the pension field, particularly the ability to control staff and administrative ability are important.

Salary in Administrative Grade 1B £2,627 to £4,511 plus £40 London Allowance. Six weeks' holiday p.a. Membership of the Universities' Superannuation Scheme.

Further information obtainable from Personnel Officer, Senate House, Malet Street, London WC1E 7HU. Tel: 01-638 5000 Ext. 15. Closing date for applications 17th June.

LOMBARD & ULSTER BANKING LIMITED



BANKING

EXPERIENCED BANKER OR QUALIFIED ACCOUNTANT with the right background

Lombard & Ulster Banking Limited is a subsidiary of Ulster Bank Limited and a member of the National Westminster Group.

We are expanding our Banking Division staff at Belfast and seek someone with a ability to assess needs and monitor substantial loans. The right candidate will have a good banking background or be a qualified accountant with relevant experience and flair.

Salaries commensurate with qualifications and experience and a car will be provided. There will also be membership of a non-contributory pension scheme and an attractive house mortgage scheme.

Lombard & Ulster Banking Limited is looking for an ambitious individual who will have the ability to make a significant contribution as a member of a small progressive team and who wants a challenging and rewarding career.

Please reply to:-
**Mr. S. Glancy, Managing Director,
Lombard & Ulster Banking Ltd.,
Canada House, 22 North Street,
Belfast, BT1 1JX.**

International Arbitrage Trader

To be responsible for Trading Desk in London Office. Thorough knowledge of International Equity Markets and experience in handling institutional accounts required.

Goldman Sachs
Contact: Dick Rogoff
Goldman Sachs International Corp.
40 Basinghall Street, London EC2V 5DE,
01-638 4155

STATISTICAL DEPARTMENT

of well known firm of Stockbrokers require an assistant who has experience in handling investment enquiries. Candidates should write to Box A5973 giving details of previous experience and present salary.

Stockbroking in the Country

A London firm of Brokers has a vacancy in their Cotswold office.

Applicants with experience to help in managing and expanding Private Client and Bank business, apply Box A5970. Financial Times, 10, Cannon Street, EC4V 4BY, giving details of experience to date.

Junior Dealer

Kitcat & Aitken require a Junior Dealer. Please contact Mike McKee or Bob Borthwick on 01-588 6280.



TIMES NEWSPAPERS LIMITED

FINANCIAL JOURNALIST

A vacancy will shortly exist for a young financial journalist with working knowledge of the financial system and corporate finance and with experience in financial analysis.

METALS DESK TRADER

For American Commodity House. Basic salary in the range £5,000-£10,000 per annum.

SALES/SALES FRANCHISE

We are seeking to appoint franchisees in supermarket and other UK outlets. Salary negotiable, c£8000 but substantially more for person with good contacts, experience and contacts and drive.

POSITIONS IN THE USA

Any orders or other commodity executive wishing to relocate to the USA should contact Graham Square at the number below before 17th June.

01-439 1701

THE FINANCIAL TIMES

has a vacancy for a

FULLY QUALIFIED JOURNALIST

to join the Stock Exchange reporting team.

Applications with full cv should be sent to:-

**MANAGING EDITOR,
FINANCIAL TIMES**

10, Cannon Street, EC4V 4BY.

**FINANCIAL ACCOUNTING
MANAGER**

c.27,000 - 28,000. Major S.W.I. trading company seeking a qualified financial accountant who will be responsible for European subsidiaries. Specific duties include: monthly financial accounts, taxation and capital adequacy. 12-18 months.

01-437 0761 **ATA SELECTION**

APPOINTMENTS WANTED

FINANCIAL ACCOUNTANT/C.A.

Having successfully organised over 2000 meetings, we are now able to offer our services to other businesses. Tel: 01-584 5171.

PHILLIPS & DREW

Phillips & Drew require one or two senior Dealers with experience of Institutional dealing.

Likely age bracket 27-33.

Applications are also invited from young men and women, with or without experience, to be trained as "blue-buttons."

Apply Staff Manager, Messrs. Phillips & Drew, Lee House, London Wall, London, EC2Y 5AP.

We wish to recruit a young, self motivated executive to work in our city office and make investment recommendations on a wide range of securities which includes an existing substantial Eurobond portfolio. We envisage that suitable candidates will already be in a position of direct responsibility for investment decisions most likely within a stock-brokers office.

The prospects are excellent and the attractive remuneration package reflects the importance that this position will have within the company.

Please reply in confidence, with a curriculum vitae to Box A5976, Financial Times, 10, Cannon Street, EC4V 4BY.

FINANCIAL EXECUTIVES

Financial Executives (preferably, but not necessarily, with music business experience) currently earning in the region of £6,000 p.a. upwards who are interested in moving to a senior position in the music industry should write in complete confidence to the address below giving details of experience and current earnings.

John Edwards,
683 Crystal Palace Park Road,
Sydenham,
London SE26.

This vacancy is open to both men and women.

Own a share in some of the world's rarest* and most expensive coins

*see: Guinness Book of Records: Coins—Rarest Modern British

1,500 shares
to be sold
at £100 each.

City Deal
The world's first
Rare Coin
Syndication

ONE OF THE FINEST INVESTMENTS IN THE WORLD TODAY

Leading numismatists confirm the claim that coins are the best investment in the world today.

These six British coins, four in silver and two in gold, make up the partial set of Edward VIII pattern which is considered to be one of the rarest coins in the world.

The set comprises:
world's most valuable Crown.
world's most valuable Half-Crown.
world's most valuable Shilling.
world's most valuable Sixpence.
world's most valuable Penny.
world's most valuable Farthing.

ROMANCE OF THE CENTURY

Edward Albert Christian George Andrew Patrick, later King Edward VIII, was born in 1894, the son of King George V and Queen Mary, grandson of Edward VII and great-grandson of Queen Victoria.

He became Prince of Wales in 1911.

Edward's engaging personality triumphed over a background of excessive formality and by middle-life he had become an astonishingly ar and well-beloved man both at home and abroad.

He was a modern Prince Charming, a man only in time with his times, the man who became when his father, George V, died on January 20. Long live the King! King Edward VIII, bachelor still with his youthful good looks at the age of 41, his reign with unselfconscious ease and a self-started mission to modernise the Monarchy.

Even to the extent of marrying the woman he?

Wallis Warfield Simpson may have been a honer in the eyes of the English Court but there is disputing her position as a member of Americanity. Both her parents came of old and establishedican families. She attended the most fashionable girls' schools of her day. By the time she first he Prince of Wales at a party in November 1930, had become a highly sophisticated world traveller. had also divorced one husband and married another. In London society she shone; not only as a womanatural grace and charm, but also as one who wasy informed, attractively self-assured, a womandecidedly more independent spirit than others inocial group.

Wallis Warfield Simpson was a fitting companion any accomplished gentleman and a particularlyinating friend for the socially aware, progressivece of Wales.

During a summer cruise in 1934, they realised that friendship had extended into love.



Problems obviously existed; problems that remained unresolved when Edward became King in January 1936.

The most obvious one — Wallis' marriage to Ernest Simpson — instead of disappearing as it would have done for lesser beings, led to an even graver issue on the granting of a decree nisi.

Now, the British Government and Press faced the reality of an impending marriage; a marriage that could rock the realm by overriding centuries-old traditions and beliefs.

Mrs Simpson was not of Royal blood. She was American born, and bred. Even if such unprecedented obstacles could be overcome, as head of the Church of England a British King could not marry a divorced woman.

There followed approximately three short weeks of intense drama which included shock, anger and heartache. This was 1936. In those days, far more than now, public opinion took guidance from the Establishment.

As the news and rumours intermingled, and circulated throughout the land, Edward had an agonising personal decision to make — and he had to make it quickly.

He could give up Wallis Warfield Simpson. But having waited so long for true happiness, how could he give up the woman he loved?

He could enter into a bitter confrontation with Parliament. This would create a constitutional crisis that the country, indeed much of Europe, could ill afford at this time of depression and international stress. Edward's own strong sense of duty would rule out such a catastrophic move.

He could renounce the throne, sacrifice his birthright, and be free to marry for love.

Almost at the last minute, Wallis Simpson decided to give up Edward — to commit one of those selfless romantic acts which the world has always admired — for the sake of the country.

It was too late. Edward had already made his decision. After barely 11 months as King, Edward VIII signed his instrument of abdication on December 11, 1936. The setting for this momentous act was Fort Belvedere, his cherished country home which reflected so poignantly the creative spirit for which he had been deeply admired. He announced his decision to the world in an unprecedented radio broadcast in which he said...

"I have found it impossible to carry the heavy burden of responsibility and to discharge my duties as King as I would wish to do without the help and support of the woman I love".

Created Duke of Windsor by his brother and successor, George VI, the ex-king married Mrs Simpson in France on June 3, 1937.

Their supremely happy marriage was rightly described in 1948 by his friend Sir Winston Churchill as "one of the great loves of history".

NEW COINAGE FOR THE NEW ERA

The romance and drama surrounding Edward VIII's eleven-month reign extends into the design and production of his coins. He took a great personal interest in every stage of their creation. He called for sweeping changes — changes which were not altogether popular with his die-hard traditionalist advisers.

THE FACE OF OPPOSITION

For 300 years successive monarchs had always faced in opposite directions on their coins. King George V faced left. King Edward VIII was therefore due to face right. But Edward was convinced — and rightly most would agree — that his left profile showed his features to their best advantage. He would change the centuries-old tradition and face left.

Attempting to avoid a controversy, experts instructed the designer to depict the King's left profile but at the same time face him to the right. Edward could not agree to this somewhat ridiculous ploy. Further designs had to be produced with his effigy facing left. From these the final selection was made. Although it may seem trivial now, this major break with tradition would undoubtedly have produced a strong reaction from numismatists and other connoisseurs.

THE OTHER SIDE OF THE COIN

In keeping with his ideas for modernising the British Monarchy's image, Edward was determined that his coinage would reflect a modern outlook.

He personally encouraged the introduction of new designs for the reverse of a number of coins. Of a proposed set showing 'Royal' wildlife — stag, eagle, sturgeon, swan, dove and wren — only the wren was eventually adopted. It appears on the farthing of this legendary £250,000 set.

A 'SECRET' FOR 36 YEARS

New coinage for Edward VIII was to be issued in the United Kingdom at the beginning of 1937. But as the King abdicated in December 1936, Edward VIII coins were never issued. For the first time during the reign of a British monarch no coins were issued. British coins had until then the distinction of being the longest continuously issued series of coinage in the world.

Although the final designs had been approved and coins struck, none were issued. Not even the world-famous British Museum Collection has a set of Edward VIII coins. It has only plaster casts of the coins.

The former King never possessed a set of his own coins. His Royal Highness The Duke of Windsor made great efforts to obtain a set of his own coins but was never able to acquire more than one coin for which he paid approximately £300 in 1954.

The only known sets are:

1. In H.M. The Queen's Collection at Windsor.
2. At the Royal Mint in London.
3. In a Private Collection in the U.S.A. which will be donated to a museum.

As these three sets will never be available to collectors you can appreciate the unique rarity value of the only other known set.

THE RICHARD LOBEL EDWARD VIII SET NOW ON OFFER

These six extremely rare Edward VIII coins are part of a pattern or trial set. Their very existence was consistently denied by the Royal Mint until after the death of the Duke of Windsor. Their whereabouts was generally unknown until about 1973.

The coins were eventually purchased in America, for the highest price ever paid for any set of coins, by leading international numismatist, Richard Lobel of London. By returning them to Great Britain where they so rightly belonged Richard Lobel hoped that this time such a rare and tangible part of our history could stay here, in its country of origin, and not fall, once again, into foreign hands.

However, at this time, it is extremely unlikely that the home market can produce a single private client for such a uniquely expensive item.

That's why this first-ever Syndicated Coin Offer is such an exciting innovation.

And it offers you the investment opportunity of your lifetime — for as little as £100!

Note: For security reasons the coins will be in the safe deposit vault of an authorised bank or trust company.

THE PROSPECTUS CONTAINS A LETTER OF AUTHENTICITY FROM THE ROYAL MINT

RICHARD LOBEL & CO. LTD.,
Box 4AG Cavendish Court
11-15 Wigmore Street, London W1A 4AG

Please send me the Prospectus covering the
Richard Lobel EDWARD VIII
COIN COLLECTION SYNDICATION

NAME _____

ADDRESS _____

POSTCODE _____

Application for shares will close on 22nd June 1977

This offer closes
on the 22nd day
of June, 1977

Please write, telephone
or Telex for detailed
Prospectus NOW



**Richard Lobel
& Co. Ltd.**
DEALERS IN RARE COINS
4AG, Cavendish Court, 11-15 Wigmore Street, London W1A 4AG
Telephone: 01-636 1188 Telex: 24252

COMPANY NOTICES

LEGAL NOTICES

JARDINE, MATTHIESON AND CO., LIMITED
\$10,550,000.000 7½% CONVERTIBLE SUBORDINATED DEBT SECURED LOAN STOCK 1990

NOTICE IS HEREBY GIVEN that the principal amount of the above-mentioned Subordinated Unsecured Loan Stock from 1st January 1977 to 30th June 1977 shall date of issue to establish the date of payment payable to the half-yearly interest payment, payable on 30th June 1977.

The principal amount of the above-mentioned loan, together with the interest, shall be paid to the relevant Local Stock certificates, subject to the conditions of the Company's Central Registration Books, Hong Kong Ltd., and to the Order of the Board.

K. W. YOUNG,
Company Secretary.

Hong Kong,
1st June 1977.

STEWARTS AND LLOYDS OF SOUTH AFRICA LIMITED

PREFERENCE DIVIDENDS

The Directors have declared a dividend of 8½% (less corporation tax) per £100 of the above-mentioned preference dividends, payable on 30 June 1977, to holders of the preference shares registered in the books of the Company at the close of business on 17 June 1977.

The Preference Shareholders of Membrane, Ltd., and the Preference Shareholders of Membrane, Ltd., will be CLOSED from 1st June 1977 to 30 June 1977, both dates inclusive.

The dividend is subject to the deduction of the relevant rates of County African Income Tax, subject to the deduction of Non-Resident African Income Tax Act, 1962, as amended.

In the Register of Members are recorded the names of the shareholders.

By Order of the Board.

E. A. JOHNSON, Group Secretary.

Membrane, Ltd., 200 Grosvenor Street, London, W1, 2PQ, Tel: 01-580 7490.

Membrane, Ltd., 1930, 1931, 1932, 1933, 1934, 1935, 1936, 1937, 1938, 1939, 1940, 1941, 1942, 1943, 1944, 1945, 1946, 1947, 1948, 1949, 1950, 1951, 1952, 1953, 1954, 1955, 1956, 1957, 1958, 1959, 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971, 1972, 1973, 1974, 1975, 1976, 1977.

Membrane, Ltd., 1930, 1931, 1932, 1933, 1934, 1935, 1936, 1937, 1938, 1939, 1940, 1941, 1942, 1943, 1944, 1945, 1946, 1947, 1948, 1949, 1950, 1951, 1952, 1953, 1954, 1955, 1956, 1957, 1958, 1959, 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971, 1972, 1973, 1974, 1975, 1976, 1977.

Membrane, Ltd., 1930, 1931, 1932, 1933, 1934, 1935, 1936, 1937, 1938, 1939, 1940, 1941, 1942, 1943, 1944, 1945, 1946, 1947, 1948, 1949, 1950, 1951, 1952, 1953, 1954, 1955, 1956, 1957, 1958, 1959, 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971, 1972, 1973, 1974, 1975, 1976, 1977.

Membrane, Ltd., 1930, 1931, 1932, 1933, 1934, 1935, 1936, 1937, 1938, 1939, 1940, 1941, 1942, 1943, 1944, 1945, 1946, 1947, 1948, 1949, 1950, 1951, 1952, 1953, 1954, 1955, 1956, 1957, 1958, 1959, 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971, 1972, 1973, 1974, 1975, 1976, 1977.

Membrane, Ltd., 1930, 1931, 1932, 1933, 1934, 1935, 1936, 1937, 1938, 1939, 1940, 1941, 1942, 1943, 1944, 1945, 1946, 1947, 1948, 1949, 1950, 1951, 1952, 1953, 1954, 1955, 1956, 1957, 1958, 1959, 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971, 1972, 1973, 1974, 1975, 1976, 1977.

Membrane, Ltd., 1930, 1931, 1932, 1933, 1934, 1935, 1936, 1937, 1938, 1939, 1940, 1941, 1942, 1943, 1944, 1945, 1946, 1947, 1948, 1949, 1950, 1951, 1952, 1953, 1954, 1955, 1956, 1957, 1958, 1959, 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971, 1972, 1973, 1974, 1975, 1976, 1977.

Membrane, Ltd., 1930, 1931, 1932, 1933, 1934, 1935, 1936, 1937, 1938, 1939, 1940, 1941, 1942, 1943, 1944, 1945, 1946, 1947, 1948, 1949, 1950, 1951, 1952, 1953, 1954, 1955, 1956, 1957, 1958, 1959, 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971, 1972, 1973, 1974, 1975, 1976, 1977.

Membrane, Ltd., 1930, 1931, 1932, 1933, 1934, 1935, 1936, 1937, 1938, 1939, 1940, 1941, 1942, 1943, 1944, 1945, 1946, 1947, 1948, 1949, 1950, 1951, 1952, 1953, 1954, 1955, 1956, 1957, 1958, 1959, 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971, 1972, 1973, 1974, 1975, 1976, 1977.

Membrane, Ltd., 1930, 1931, 1932, 1933, 1934, 1935, 1936, 1937, 1938, 1939, 1940, 1941, 1942, 1943, 1944, 1945, 1946, 1947, 1948, 1949, 1950, 1951, 1952, 1953, 1954, 1955, 1956, 1957, 1958, 1959, 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971, 1972, 1973, 1974, 1975, 1976, 1977.

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Membrane, Ltd., 1930, 1931, 1932, 1933, 1934, 1935, 1936, 1937, 1938, 1939, 1940, 1941, 1942, 1943, 1944, 1945, 1946, 1947, 1948, 1949, 1950, 1951, 1952, 1953, 1954, 1955, 1956, 1957, 1958, 1959, 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971, 1972, 1973, 1974, 1975, 1976, 1977.

Membrane, Ltd., 1930, 1931, 1932, 1933, 1934, 1935, 1936, 1937, 1938, 1939, 1940, 1941, 1942, 1943, 1944, 1945, 1946, 1947, 1948, 1949, 1950, 1951, 1952, 1953, 1954, 1955, 1956, 1957, 1958, 1959, 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971, 1972, 1973, 1974, 1975, 1976, 1977.

Membrane, Ltd., 1930, 1931, 1932, 1933, 1934, 1935, 1936, 1937, 1938, 1939, 1940, 1941, 1942, 1943, 1944, 1945, 1946, 1947, 1948, 1949, 1950, 1951, 1952, 1953, 1954, 1955, 1956, 1957, 1958, 1959, 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971, 1972, 1973, 1974, 1975, 1976, 1977.

Membrane, Ltd., 1930, 1931, 1932, 1933, 1934, 1935, 1936, 1937, 1938, 1939, 1940, 1941, 1942, 1943, 1944, 1945, 1946, 1947, 1948, 1949, 1950, 1951, 1952, 1953, 1954, 1955, 1956, 1957, 1958, 1959, 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971, 1972, 1973, 1974, 1975, 1976, 1977.

Membrane, Ltd., 1930, 1931, 1932, 1933, 1934, 1935, 1936, 1937, 1938, 1939, 1940, 1941, 1942, 1943, 1944, 1945, 1946, 1947, 1948, 1949, 1950, 1951, 1952, 1953, 1954, 1955, 1956, 1957, 1958, 1959, 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971, 1972, 1973, 1974, 1975, 1976, 1977.

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The Marketing Scene

Snacks: the giant mini-market

BY OUR MARKETING EDITOR

EVERYONE KNEW that the crisps market was big sales in 1977 will climb to £215m. gain expected in the current period. Here, Smiths reckons it has 40 per cent. of the total sales, worth £85m. last year, and realised quite how big the market is vast, so to compensate with 20 per cent. each for Golden Biscuits, Wunder and United Biscuits. The size of the snacks market — £271m. last year — is best grasped via a comparison of manufacturer's estimates for other food markets. Snacks obviously fall far behind confectionery (£1015m.) but they outstrip instant coffee (£140m.) and canned soups (£120m.) combined, and are more than twice the size of margarine sales (£128m.).

Smiths' says that despite VAT, more than any previous year, sales in the cost of cooking oils and finally the dismal potato chips, are expected to rise to £337m., a gain of 24 per cent. sales of crisps nonetheless total for last year improved 2 per cent. by volume with 7 per cent. share is put at last year with a further 2 per cent. expected by the end of the year. Savoury snacks, on the other hand, showed a significant 21 per cent. volume sales increase last year with a further 11 per cent. for Golden

The market share of the market with a further 11 per cent. for Golden

Cover Girl goes for hard sell

BY SART ALEXANDER

THEIR FAIR acceptance by connections with the supermarket chain and Fine Fare marketeers. Cover Girl cosmetics in a number of their outlets has to the extent that it will merge with the company which so far has not been happy a time in the U.S. market.

Even the order of the day is to feed with caution in a market that has not been at its most grant these last two years, highly competitive, and in gallily emphasising skin care at the same time remaining gaily fashion-conscious.

But the initial success is a new batch using food broker and lesser Jenks Brothers of Wycombe, which has been long established and widespread

supermarkets to-day are by no means coy about taking on new product lines previously the domain of a specialist.

While the expansion programme is unashamed, Novell is prepared to continue putting financial muscle behind its previously ailing British baby.

There has already been a television campaign in the Midlands and this is being supplemented by colour advertisements in the women's magazines.

The company already claims successes in Belgium, through Delhaize, Holland, through Albert Heijn, Austria, and Denmark.

For Jenks the move is important for it is establishing itself as a racking house. It already has Schwartz spices and Lavry seasonings which are handled by a separate team of girls.

For Cover Girl there is a team of 60 girls split between demonstrating and merchandising with another 15 supervisors, management and back-up staff. The company has also backed the project with some of its own investment cash — though Novell will be responsible for advertising and promotion. It could benefit not only from a take-off in Cover Girl sales, but also if it were able to add another complementary group of products to put out via the same sales force.

Cover Girl, which is owned by the Novell Corporation, is convinced that cosmetics can be marketed in a no-fuss way. Eric Berry, its group marketing director in the U.K., feels that the ballyhoo and mystique of the Launders, Rubinstein's and Revs are a thing of the past.

He accepts, however, that some imagery must remain if the product is not to ride over the line into the toiletries division. "We are making it respectable to buy good quality, good colour, carded cosmetics." He should also add that the profit margin offered to the grocer retailer is often higher than he can make on more traditional lines, and



Solid Marble Paperweights

in full colour and accompanying the Order or Coat of Arms and crest. Ideal for collectors. FREE Standard Postage and packing. Send for our brochure and find out why.

London Paperweights Ltd.

16, Gt. Portland St., London W1X 7EL. Tel: 01-589 5945

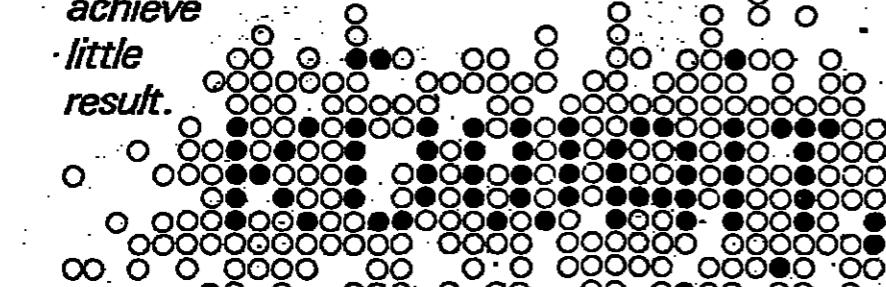
Advertising is selling. No more. No less.

J.C. Bamford Excavators, Ind. Coop Hotels, Royal Doulton Sanitaryware, Hallam Group, Nottingham and Biltons Tableware are just a few of the people who agree with us. Send for our brochure and find out why.

J.B. Brookes Advertising.

Cambridge House, Cambridge, Uttoxeter, Staffs. ST14 5BL. Tel: (0889-26) 46819.

Advertising in the wrong media is like pouring water on the desert: whatever you spend you'll achieve little result.



Pan Arab Computer Center has the first computerised Media Monitoring System and Media Survey in the Gulf.

It can give you detailed research, accurate figures and competitive information at anytime to help you invest your money wisely.

PACC

A quality service company

PAN ARAB COMPUTER CENTER
P.O. Box 921 Kuwait

My Goodness— My Gumption

Just think
what kind
of you
can do

son and Hedges. But they are largely composed of pack shots.

"A tip for smart women, the Press advertised brands last year; indeed the bulk of the Top 20 is made up of retailers and the merchandisers.

What do these cold figures really mean to advertising people and television watching consumers? Perhaps they suggest

Some old truths about how advertising works. Suddenly, because there's a lot of this type of advertising on the telly, one is more aware of it.

While it was mainly confined to the Press, it was easier to ignore. So telly, as we always knew, is the most intrusive medium. But the second old truth is that intrusiveness is not an end in itself, and can be negative in its effect. Perhaps

retail advertisers have not yet learned how to stop shouting in order to influence people now they've been allowed into the living-room.

Many retail advertisers seem to have a curious notion of how advertising works. They appear to believe that the more they stuff their 30 seconds full of

stuff and vision, the better

Television contractors and agencies who think both about how advertising works and, more importantly, how it does not work, should sustain and increase their efforts to persuade the new television advertisers to use the medium more thoughtfully. If they do, they will probably win a few awards—and a few accounts.

Stan Symington is deputy managing director of the Kirkwood Company.

EDITED BY MICHAEL THOMPSON-NOEL

COMMENT

Stop shouting and start influencing

BY STAN SYMINGTON

ACCORDING TO Thames Television's annual report, retail store advertising has risen 271, the viewer's armchair and open and ready, straight to the cash increase of over £5m. The same report states that Thames is not work this way because people do not work this way. Whether one is using advertising is at record (1) set of attitudes and an image

over a substantial period of time, or to evoke a desire to buy tomorrow, it cannot sell products it can only sell ideas or feelings about products.

Some retail advertisers have learned this lesson, and their advertising ceases to be irritatingly intrusive and becomes instead interestingly informative.

Consider the Collett Dickenson

and Pearce commercials for the Shadows compared with some of the crass offerings from the record merchandisers.

In a way the growth of retail advertising on television is TV advertising being born again. Just as in the early fifties all

advertisers had to learn how to use television, so to-day very few of the new big spenders in the medium know how to use it.

And because television is such an intrusive medium, this must be having some bad effects on the telly-watching consumer. She may not be thinking about it, not able to articulate it if asked. But frantic, loud and ugly advertising is nearly always bad advertising, and bad advertising is bad for advertising.

Television contractors and agencies who think both about how advertising works and, more importantly, how it does not work, should sustain and increase their efforts to persuade the new television advertisers to use the medium more thoughtfully. If they do, they will probably win a few awards—and a few accounts.

Stan Symington is deputy managing director of the Kirkwood Company.

Midland Bank International in the Philippines.

Midland Bank now has a Regional Group Representative Office in Manila. This adds a further dimension to our already strong, long-standing relationships in South East Asia and its financial institutions, both indigenous and foreign.

The Bank has been and continues to be a leader in trade finance between countries in South East Asia and the UK and enjoys the confidence of central banks and governments.

Contact Mr P. F. Cryer our Group Representative for the Philippines at 4th Floor, Legaspi Towers 200 Building, Paseo de Roxas, Makati, Rizal, Philippines, or P.O. Box 7502, AEO-MIA Philippines 3120. Tel: 89-74-25 or 89-78-60. Telex: 3244 MBG PN. Cable: MIDBANREP MANILA.



Midland Bank International

Midland Bank Limited, International Division, 60 Gracechurch Street, London EC3P 3BN. Tel: 01-606 9944



Coats Patons earns doubled profits on world sales 26% higher



**...the level of profits
achieved in the second half
of 1976 should be sustained
throughout 1977"**

Mr. W.R. Henry.

The following is the Review of the Chairman, Mr. W.R. Henry, circulated with the Report and Accounts of Coats Patons Limited, for the year ended 31st December 1976.

BOARD CHANGE

At the end of last year Mr. R. G. Laird retired from the Board, whilst continuing in his executive appointment in U.S.A., a position having been extended to cover supervision of the Company's Canadian interests.

STAFF

Your Company has employees in 36 countries, and the majority are citizens of countries other than the United Kingdom. We are therefore a foreign employer to most of our employees; and this sometimes creates special and personal problems; these can only be overcome with understanding and goodwill on all sides which, in large measure I am proud to say, exists. The results which are recorded in the Accounts reflect this and are a tribute to the individual and combined efforts of all our employees, both at home and abroad. On your behalf I thank them for the way in which they have made such a substantial contribution towards the successful results of 1976 and, as far as external circumstances allow, towards firmly securing the Company's future.

THE BUSINESS YEAR

1976 saw the continuation of the recovery of world trade as it affected your Company, which started in the second half of 1975. In volume terms it was modest, and indeed, in respect of this major product group - thread - still left us some 10% behind our 1975 peak. Fortunately it was possible to improve trading margins almost everywhere, which is vital to the future prosperity of the Company particularly under inflationary conditions.

The 1976 cash flow - eliminating exchange differences, shows that the Company generated sufficient cash to provide £39,361,000 to meet the effect of inflation in working capital, £23,805,000 for fixed capital investment including acquisitions and, having reduced volume inventories by £5,459,000 through more efficient stock turnover, to meet the dividend with a residual surplus of £978,000.

At 31st December 1976 the Debt/Equity ratio was 1 to 4, which is a healthy situation, and enables us to finance further recovery in world trade and to seek viable growth wherever available.

The acquisitions referred to were the purchase by Coats & Clark Inc. U.S.A. of C. J. Bates & Son Inc. for £4,708,000, and the purchase of shares from Italian minority interests at a cost of £613,000. C. J. Bates is one of the leading manufacturers of knitting needles, crochet hooks and knitting accessories in the U.S.A. We thus acquire a stake in a growing market and a base from which to expand into other hard haberdashery products and high quality yarns where our present position is weak.

Capital expenditure on fixed assets rose by some 50% over 1975 and will continue to rise for some time to come, with a strong element of expansion, particularly abroad. U.K. capital expenditure covers expansion and replacement for increased productivity which is essential if the U.K. textile industry is to survive as it must and will.

SALES AND PROFITS

An analysis of the movement in world sales between 1975 and 1976 is as follows:-

1975 Sales	£497,086,000
Add Increase in volume	43,762,000
	530,798,000
Add price increases	51,696,000
	582,494,000
Add exchange gain	32,525,000
1976 Sales	£616,019,000

World volume increased on average by 9%, selling prices by 10% and, with an exchange gain arising from the weakness of Sterling, boosted sales by 26% and contributed to the significant improvement in profits and trading margins.

TRADING PROFITS

Trading profits rose by £33,818,000, or 75% to £78,076,000, including an exchange gain of £4,400,000. Margins improved from 9.1% to 12.7%.

PRE-TAX PROFITS

At £75,426,000, pre-tax profits more than doubled. The net interest charge dropped by £2,757,000 due to improved liquidity and to a lower average rate of interest paid of 8.1% as against 9.6% in 1975. The exceptionally large increase in profits of associated companies is almost entirely due to the profit of £1,313,000 produced in India as opposed to a loss of £450,000 in 1975.

TAXATION

The reflected rate of tax was a modest 42.8%. The improvement in U.K. profits enabled us to obtain tax relief from capital allowances and stock relief totalling £4,932,000, compared with a claw-back of stock relief of £1,751,000 in 1975.

No provision is required for Advance Corporation Tax not immediately recoverable.

EARNINGS FOR ORDINARY SHAREHOLDERS

At £37,938,000, earnings were almost double those for 1975 after extraordinary losses of £629,000 (1975 gain £522,000). The extraordinary loss of £629,000 comprises terminal charges on the cessation of industrial yarn production at Darlington, offset by a further gain on the liquidation of Coats Patons (Retail) Limited.

DIVIDEND

The recommended final dividend of 1.8778p per share, together with the interim of 1.0388p already paid, is the maximum permitted. The final dividend, plus tax credit at 35/66ths, amounts to 2.8839p per share. If the rate of tax credit for 1977/78 is reduced, a further distribution is recommended of such sum as is necessary to maintain the final dividend at 2.8839p per share, including tax credit.

Application was made to the Treasury for exemption from dividend controls, but we have been officially advised that it cannot be granted because we do not fulfil the necessary conditions.

HOME ACTIVITIES

Trading profits in the U.K., including exports, more than doubled but accounted for only 15% of the global increase in profits.

fundamental changes in the relationship of management to staff and workers may be necessary. Indeed, reflection on the United Kingdom's failure, in general, to keep pace with our export competitors should have made the commissioning of the report unnecessary, as poor industrial relations in certain industries have been one of the main factors affecting the country's performance.

Group industrial relations policy was under review well in advance of the Bullock Report and concentrates on employee involvement where it matters - at the place of work - and not at parent board level where, in a multi-national company, there are obvious problems. We are proceeding at a pace appropriate to the state of development existing in each location.

CONTROL OF REMUNERATION AND PRICES

In the U.K., where low basic wages are the norm, where overtime is excessive to compensate for low wages, where over-manning is prevalent, and where investment in new plant is consequently inadequate, wage controls are surely misguided. They are intended to control inflation but have so far shown little evidence of being effective - certainly not in achieving rates of inflation as low as our main competitors. They have reduced differentials to a dangerous degree, as witness the unrest and resentment recently shown by skilled personnel in widely different industries. Since low productivity and, until recently, profligate monetary policies, and not high wages, are the chief cause of our country's severe inflation, surely increases in pay should now be related to a gradual reinstatement of differentials and to real productivity. I am not as apprehensive as many people appear to be that the absence of a Phase 3 would lead to a wages explosion, since I agree with Mr. Clive Jenkins that the majority of firms could not afford to meet demands for unrealistic wage increases without jeopardising their future and that of their employees. As I visit our companies in the U.K. and talk management, I am conscious that we have many able and energetic people who, thanks to controls and taxation, have made disproportionate sacrifices for the common good. Equally disturbing is the problem we have of transferring people to the U.K. from abroad on promotion which, when accepted, actually reduces their standard of living.

As regards price controls, the textile industry has had a rough ride in the recent past and only if additional profit sensibly taxed can come the funds to modernise, which are essential to compete efficiently here and abroad.

SCOTTISH DEVOLUTION

The debate on Scottish devolution has generated a great deal more heat than light, and it is noteworthy that obsession with the problem is largely confined to politicians and professional commentators. The real danger is that ill-considered change may greatly affect business. Devolution as a principle may be acceptable and may even be desirable; its inexplicable equation with a directly-elected assembly is the reverse. Although the creation of such an assembly for Scotland would have little direct significance to the profitability of the Company, I share the widespread view of business in Scotland that it must be opposed as a public duty in the community interest, and for the reasons which others have already expressed. In addition, one can view with little relish the prospect of another tax-raising bureaucracy being created especially for Scotland. We do not need separation to become the Scottish company which we are already recognised to be throughout the world and which we intend to remain.

PROSPECTS

As regards immediate prospects, world thread sales for the first quarter are 13% up on the same period. Despite this, signs of further recovery in world trade are not yet convincing, and indeed sales in Western Europe are currently below 1976 levels. U.K. thread sales, however, are up both in volume and value. Activity in Yarns and Fabrics Division is currently up on last year but the forward order position is lower than we would like. In Garments Division fully-discounted knitwear is booked out until the end of the year and sales are up to expectation.

In garments, sales are generally above last year's levels, with the exception of children's wear, where production problems exist at the moment. Hand knitting is showing a considerable improvement on last year. There is a strong possibility that the negotiations taking place on the Multi-Fibre Arrangement will produce modifications to alleviate some of the damage done to the U.K. textile industry by cheap imports, with a consequent increase in future profits.

Our latest estimates suggest that the level of profits achieved in the second half of 1976 should be sustained throughout 1977.

Looking further ahead, considerable capital expenditure is planned both for expansion of capacity and for increased productivity in the U.K. Potential growth in Jaeger is considerable and certain important overseas markets have not yet been fully penetrated. Some £12,000,000 of capital expenditure will be incurred over a relatively short period to meet estimated future demand. Knitwear Group will receive some £6,000,000 over a period for modernisation and expansion. Considerable sums have been expended on the rationalisation of acrylic industrial yarn production, which is already paying off. Additionally, capital expenditure in Yarns and Fabrics Division will be almost £2,000,000 in 1977 and could remain at a high level for some time to come.

In thread, capital expenditure in 1977 could be £20,000,000, in which figure markets with growth potential like Brazil and Turkey feature largely.

J. & P. Coats, Limited Division continues to seek sales growth by, among other avenues, the extension of its range of haberdashery products, and in this connection has taken a minority holding in William Pynn-Werke K.G. of Stolberg, West Germany, a leading manufacturer of metal haberdashery.

There are several interesting developments currently under research in our laboratories geared to the production of new, improved synthetic threads, and others aimed at diversification of our interests. We are also investigating the possibility of expanding our worldwide interests as merchants and a new company, West Riding Textile Trading Co., Ltd., was recently formed for the purpose.

In general, therefore, we look forward to the future with increased confidence.

GROUP RESULTS FOR 1976

	1976 £'000	1975 £'000	1974 £'000
Turnover	615,019	487,096	448,210
Assets employed	356,175	302,019	281,240
Profit before tax and loan interest	80,188	41,305	51,456
Profit earned for Ordinary shareholders before extraordinary items	38,567	19,154	24,572
Earnings per share	13.8p	6.9p	8.8p
Ordinary dividend including income tax/tax credit	4.45p	4.03p	1.34p

EUROPE
28.3%



S. AMERICA
25.9%



UNITED
KINGDOM
16.9%



N. AMERICA
15.9%



ASIA
AFRICA
AUSTRALIA
13.0%

Coats Patons are the world's biggest threadmakers and leading producers of synthetic and spun yarns, operating 154 manufacturing units in 30 countries and employing over 70,000 people.

In the U.K. alone we are behind such famous names as Jaeger, Country Casuals, Donbros, Byford, Dalkeith, Ladybird, Chilprufe and BabyChic. We are in general textiles with West Riding Worsted and Woolton Mills and John Heathcoat. Our other products include diecastings and mouldings.

MINING NEWS

Mary Kathleen Uranium given more time

BY KENNETH MARSTON, MINING EDITOR

THE AUSTRALIAN Government and Consorcio Rionero of Australia have agreed to extend the present financing arrangements for Mary Kathleen Uranium—the only producing uranium mine in Australia—beyond the original limit of May 31.

This will allow further time for discussions between the financially hard-pressed mine and its owners on rates and revised delivery schedules which are vital to proceeding satisfactorily. As a result of production difficulties and a consequent inability to meet uranium contract commitments, Mary Kathleen made an operating loss last year of \$A12.4m. (US\$7.9m.) and is still losing money.

The Federal Government and CRA have already agreed to provide the mine with \$A1m. short-term financing facilities as an emergency measure to allow the mine to continue operations. CRA has now agreed to increase by \$A1m. to \$A3.2m. the amount to be provided under its revolving credit to cover a possible increase in Mary Kathleen's borrowing requirements which may arise during this month.

The length of the credit now depends on the Government's decision on an independent report currently under consideration on the long-term financial viability of the mine. Rio Tinto-Zinc owns 72.6 per cent of CRA which, in turn, owns 31 per cent of Mary Kathleen.

Buffels pays 90c final

THE JUNE dividend session of the South African gold mines was opened last night by the General Mining group with a notably good final dividend of 90 cents (60.1p) from the gold and uranium-producing Buffels mine. This year, Benguet's gold sales total for the year to June 30 of 130 cents compared with 125 cents for 1976-76.

An unchanged interim of 11 cents (7.35p) is declared by St. Iamia meeting the president, Mr. Jaime V. Ongpin, said that there will be no cash dividends "probably for another couple of years" because the lenders of \$83.4m. (US\$49.8m.) the company needs for its expansion programme stipulate freezing cash dividends for that period.

In a diversified industrial holding group it is most unusual to have all companies producing net profits at the same time, he says, and adds that this situation adds to the strength and stability of the group.

Mr. Ongpin says that during the past year the group saved \$66.000 on interest charges, and with rates falling dramatically this year the outlook is most encouraging.

In a diversified industrial holding group it is most unusual to have all companies producing net profits at the same time, he says, and adds that this situation adds to the strength and stability of the group.

The company produces a yearly average of 10,000 to 12,000 ounces of gold, 10m. to 12m. lbs of zinc and 50,000 to 60,000 ounces of silver. First quarter earnings of \$1.2m. (US\$720,000) for the same period of 1976.

After including an income tax credit of \$C297,000, Steep Rock earned a net \$C730,205 (US\$416,000) last quarter, compared with a loss of \$C400,834 in the 1976 first quarter. The president, Mr. Lam, thus anticipates a good year but warns that there are still uncertainties regarding the future of the Atikokan mine after 1979; current ore reserves will permit mining through 1979 and will be sufficient to cover a possible increase in the price of the stockpile amounts to 37,000 ounces.

Meanwhile, studies pertaining to the Steep Rock deposit that were initiated by the Steep Rock and Steep Rock are continuing.

No firm decisions regarding the project will be made before the end of the year when the studies should be completed. Steep Rock were 162p yesterday.

Benguet's gold sales

HIGHER EARNINGS are expected this year by Benguet Co. solidated, the biggest gold producer in the Philippines which also runs an international

BSG in good shape for further progress

CONFIRMING THAT 1977 has started on an extremely satisfactory note, with first-quarter profits materialising earlier than at the same time last year, Mr. Howard G. Crossman, chairman of BSG International, the Birmingham-based industrial holding company, states that the group is in its best-ever shape.

In a diversified industrial holding group it is most unusual to have all companies producing net profits at the same time, he says, and adds that this situation adds to the strength and stability of the group.

Mr. Crossman says that during the past year the group saved \$66.000 on interest charges, and with rates falling dramatically this year the outlook is most encouraging.

The group intends to raise \$1.5m. by a rights issue to further strengthen its asset base by an additional \$1.5m. by a proposal to convertible holders to swap half their holdings into Ordinary shares (as reported yesterday).

Though BSG had the option to pay a gross dividend for 1976 of 2.45p under the Treasury's recovery rules, the company's regard to the level of profit paid 2.25p. Having failed to pay 3.5p for 1976 BSG was no longer in the position to pay that level of dividend in the current year, and under Treasury rules would have been restricted to 1.85p gross per share. Thus the dividend forecast of 2.55p represents a 6 per cent increase over the possible dividend.

As reported on April 26, pre-tax profit more than doubled in 1976 from £2.3m. to a record £5.5m. The net final dividend of 1.83p (0.65p) a share lifts the total to 1.83p (0.65p).

Mr. Crossman says the group is fulfilling the stated objectives of a higher rate of profit and return both on turnover and investment.

Reviewing the year, Mr. Crossman notes that the overall U.K. car market rose to 1.25m. registrations in 1976 against 1.15m. in 1975 and 1.27m. in 1974. Demand for outstripped supply, he says. Nevertheless, in its motor trading activities the group increased sales volume by 34 per cent and finished the year with an unfilled order book of more than 5,000 vehicles.

"While we are still desperately short of supplies this year, our sales in the first quarter are up 33 per cent compared with the same period of 1976," says Mr. Crossman.

Although national commercial vehicle sales were down by 3 per cent.

As reported on May 4, taxable profit for the half-year, ended

December 31, 1976, was \$22.271 (279,842), on sales of \$71.000 (52,777m.). Again there is no dividend.

Different trading conditions persisted throughout the six months and while some areas of the company's activities were able to operate with very satisfactory results, others were not.

One operating company had difficulties which prevented it achieving an expected substantial improvement in profit, the chairman states.

Exports were substantially better and the effort is continuing to be made.

The company makes plastic

sheeting, mouldings, waterproof

clothing, etc.

ICL managing director given new options

Mr. Geoffrey Cross, group managing director of ICL, has been granted new options on 100,000 shares in ICL by Blessey & NEB, the company's two major shareholders, with the view to improve manufacturing plants and marketing strength in the U.K. and overseas.

Working capital increased during the year by £1.35m. against a decrease of £5.85m. at the 1976 AGM. The new option agreement enables Mr. Cross to acquire from Blessey & NEB, who will hold 44.5 per cent of ICL, 100,000 shares of its holding in these companies at the same option rate as previously—180p a share compared with a market price of 306p down 2p yesterday.

ICL says that the new arrangements are in continuation of Mr. Cross's options granted into a new service contract to serve as group managing director for a further five years to September 30, 1982, terminable on 18 months' notice.

The new options will lapse if Mr. Cross does not exercise his rights before April 30, 1984, or within three months of leaving the company, whichever is later. September 30, 1982, or within 12 months after that date, if his service with the company expires on or before that date.

DELTA METAL

Delta Metal announces that the offer of new Ordinary shares in exchange for the cancellation of the outstanding 7.5 per cent convertible unsecured loan stock of 1984/85 has been accepted in respect of £7,931,058 stock (47.7 per cent).

Accordingly, £18,035

shares from each company at the same option rate as previously—180p a share compared with a market price of 306p down 2p yesterday.

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BESWICK

Beswick (Holdings) says that steps have been taken, and are continuing to be taken which is confident should soon produce more satisfactory results for the company.

As reported on May 4, taxable

profit for the half-year, ended

The Financial Times Thursday June 2, 1977

Useful start by Hewden-Stuart

In his annual statement Mr. Frank Jamison, the chairman of Hewden-Stuart Plant, says that 1977 has started like the curates in each parsonage. They are of the opinion that opportunities for expansion will arise and that the policy in past years of maintaining a substantial unquoted share capital should be continued thus permitting immediate advantages to be taken of any such opportunities. For this reason an increase in the authorised share capital to £3.5m. is recommended.

The group is constantly searching for new opportunities, and has looked at new markets abroad, particularly in the Middle East, but has not yet found the correct ingredients with which to go involved. A number of projects are in the pipeline, under discussion, says Mr. Jamison.

In a capital orientated business the maintenance of cash flows is of prime importance, permitting flexibility both for replacement and expansion. Group retention from profits and depreciation is over £1m. which gives tremendous flexibility, the chairman states. This factor has enabled the group since January 1976, to invest over £2m. in plant and equipment with no material increase in borrowings which remain well below the level which appears to be acceptable to others in the industry.

As reported on April 5, pre-tax profit for the year to May 29, 1976, was £1.42m. in the year to January 20, and the dividend is the maximum permitted £0.225p (14.3p) net. It

IRI ISTITUTO PER LA RICOSTRUZIONE INDUSTRIALE

IRI 5 3/4% US\$ AND DM BONDS OF 1964 DUE 1975-79

NOTICE IS HEREBY GIVEN that the annual redemption instalments due on 30th June 1977, of US \$ 2,749,000 and DM 8,992,000 principal amount have been satisfied by the market purchase of Bonds for a principal amount of US \$ 953,000 and DM 4,654,000 and by drawings for a principal value of US \$ 1,796,000 and DM 4,338,000.

The Bonds drawn for redemption on 13th May, 1977, in the presence of a Notary Public are the following:

US \$ 1,000 BONDS

Bonds bearing the following last two digits: 00 02 05 10 20 22 28 39 42 60 72 73 74 78 80 83 86 87 94 95 together with those ending in 65, excluding number 13,065 or higher.

DM 1,000 BONDS

Bonds bearing the following last two digits: 02 05 08 21 28 29 42 62 63 64 68 76 82 90 92 together with those ending in 67, excluding number 25,067 or higher.

On 30th June, 1977, there will become due and payable upon each Bond drawn for redemption, the principal amount thereof with accrued interest to said date at the address given below:

Banque Internationale à Luxembourg S.A., LUXEMBOURG

2, Boulevard Royal or with one of the other paying agents listed under article 6 of the regulations printed on the back of each security.

Interest will cease to accrue on the Bonds drawn for redemption on and after 30th June, 1977. Bonds so presented must have attached coupon n. 27 maturing on 31st December, 1977 and all subsequently dated coupons.

The undermentioned certificates which were drawn for redemption on 30th June, 1976, have not yet been presented for encashment.

US \$ 1,000 BONDS

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William Mallinson in strong position

WITH ITS gearing ratio improved will never become payable, but by the middle of June, 1978, in the event of a positive legislative change, Mallinson and Sherry, now a limited-liability taxation motto, has ample financial and management resources to meet the requirements of trade and taxation. Mallinson, 120, Hackney Road, E. Sir Frederick Catherwood, chairman, tells members in his statement:

He reports that Far East companies have made an encouraging start to the current year. Australia and New Zealand advance, as should France, which disclosed disappointing results in 1976.

Sir Frederick says that NEST (USA) Inc. of Philadelphia is capable of further expansion. The new acquisition, Thompson Mahogany Co., reported US\$17.8m. pre-tax profit for 1976 and he expects a larger figure this year.

It is proposed to change the company's name to Mallinson.

Mr. Catherwood says that the company's net assets are now £252,000, up from £180,000.

In the 15 years from 1962 to 1976 the company improved its tax profit in every year except three and annual dividends have been increased on 15 occasions.

Few companies in any section of British industry can show a better or more consistent record which should be sustained in the future as in the past by the strength and stability of group overseas earnings from a central UK base, says the chairman. "We face our second century with confidence," he adds.

As known, 1976 net tax profit rose from £1.1m. to £2.2m. and external sales were £105.1m. (£124.3m.).

The accounts show an addition of over £2m. to £10.25m. in the amount reserved for deferred tax, arising mainly from the arrangement for stamp depreciation relief. The chairman believes that the majority of this large sum

per cent holding in Reliant at 1/4 share and intended to make the same offer to minority shareholders valuing the company at £380,000.

Turnover £1,717,178.70
Profit after tax £560,000
Motor vehicles £1,029,10,000
Engineering 4,000
Plastics 1,000
Motor vehicles 100
Engineering 200
Taxation 100
Profit after tax £477,000
including exports £1,700,000
Loss 1,000,000

AS FOR THE GROUP last month, Reliant Group turned over a profit loss of £360,000 in respect of its 1976 results to February 28.

Revenue of Altifund rose from £10.26m. to £10.28m. for the year ended March 31, 1977, before tax of £0.1m. compared with £0.09m.

The net final dividend on the 50p income shares is 50p for a total of 7.2p (6.75p). On 50p capital shares the final dividend is 0.25p and the total 0.38p (0.375p).

Net asset value per income share was 101.5p (101.4p) and included exports up from £2.7m. to £3.37m. A net profit of £460,000 is replaced by a charge of £182,000. So a net loss of £248,000 becomes a net profit of £177,000.

There is again no ordinary dividend for the year. The last payment was 0.15p net per 5p share for 1974/75.

At the interim stage, the pre-tax loss was down from £419,000 to £350,000. The estimated final dividend for the last month that J. E. French Securities had bought the Reliant Group's 7.6% £1,000.

Midland Drayton has launched a new Equity Income Trust for pension funds and charities. The aim is to achieve a balance between income and growth by investing mainly in a wide range of UK Ordinary shares. The estimated initial gross yield is 5.5 per cent. The minimum investment is £1,000.

At the year end, Industrial and Commercial Finance Corporation

WITH THE strong position of Helene of London, and continued progress in the current year, particularly in export sales, Mr. M. Burkeman, the chairman says he is sure the policy of expansion can be continued. The liquidity of the group was much improved last year, he says, and the subsequent share issue, together with the disposal of the shops and the resumption of property sales, will have a further beneficial effect.

As reported on April 29, pre-tax profit advanced by over one-third in 1976 from £584,191 to £806,900, to turn over down from £9.72m. to £8.56m. and the dividend was a maximum permitted 0.6087p net per 10p share.

Mr. Burkeman says that export sales, which also rose by one third, contributed very handsomely to profits, and the directors are looking for further growth in the current year. He adds that they are again proposing to increase the dividend by the maximum permitted.

The directors' have felt for some time that the return on capital employed in the retail business was not high enough, says the chairman. They have therefore started disposing of the retail units, and they expect the majority of them to be sold in the near future. This should release funds which they believe can be put to more profitable use.

Mr. Burkeman says that with the gradual improvement in the property market, the group has been able to resume the selling of its retail properties.

Working capital increased during the year by £430,803 against a decrease of £176,613.

At the year end, Industrial and Commercial Finance Corporation

held 860,000 Ordinary shares, and by virtue of a loan agreement may reduce its loan by exercising an option to subscribe for up to a further 1m. shares.

Meeting 20, Eastcastle Street, W. on June 24 at noon.

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INTERNATIONAL FINANCIAL AND COMPANY NEWS

Dr. Oort
to join
ABN
this year

By Michael van Os

AMSTERDAM, June 1.
DR. COEN GORT (48), Treasurer-General at the Dutch Finance Ministry, is to join Algemeene Bank Nederland (ABN), Holland's largest commercial banking house, on October 1. He will initially become a member of the Bank's Board of Chief General Managers where he will be adviser for international financial affairs, also looking after contacts with international official authorities.

Dr. Oort, who is regarded as an international financial expert of high repute—he represented outgoing Dutch Socialist Finance Minister Dr. Willem Duisenberg (inter alia) at the IMF, OECD and the



EEC monetary committee, is understood to have been eyeing a position in the private banking sector for some time, and there are not thought to be political reasons for his change of job.

It is understood that Minister Duisenberg had asked him not to take up an offer made a year or so ago to become chairman of Ned. Middenstandsbank (NMB), in which the Government has an interest of nearly 30 per cent. Now that the Minister may not return to his current position, after last week's elections, Dr. Oort probably felt that he was no longer bound by the agreement to postpone his entry into the private banking sector, Dutch banking circles said.

Dr. Oort was not available to comment on his new appointment. He is in Guatemala at the Inter-American Development Bank's annual meeting.

AMERICAN NEWS

FTC moves to stop Tenneco bid

BY JAY PALMER

THE U.S. Federal Trade Commission has started a last-ditch legal drive to try to prevent the acquisition of Monroe Auto Equipment by Tenneco, a much larger and

Tenneco's proposed acquisition of Monroe Auto Equipment on the grounds that the merger would inevitably lessen competition in the North American car parts replacement market.

Last night a spokesman for the Washington Anti-Trust Agency said that an appeal will be filed very shortly in an attempt to persuade the courts to overturn the decision handed

down last May by a U.S. District Court Judge in favour of allowing the replacement market.

In Texas a spokesman for diversified group, owns a unit

of Monroe, which is head-

AMERICAN ELECTRIC POWER

INC. is offering holders of

car shock absorbers and is esti-

90m. additional shares for \$22

each on a one-for-11 basis, reports Reuter.

The proceeds will be used, among other things, to pay at maturity all of the unsecured company debt.

NEW YORK, June 1.

The proceeds will be used, among other things, to pay at maturity all of the unsecured company debt.

Fiat-Hesston deal

HESTON CORPORATION said it is negotiating with Fiat SpA of Turin for the purchase of Fiat of about \$20m. in newly-issued Hesston Common stock for \$10 a share.

Profits
rise 30%
at IFI

BY PAUL BETTER

ROME, June 1.

IFI INTERNATIONAL—the so-called "Agnelli family piggy bank"—has reported an increase of 30 per cent in profits last year compared to the previous year to \$11m.

In an interview in the Italian weekly news magazine, *Il Mondo*, the general manager of the Fiat family international holding, Gianluigi Gabetti, said that the profits resulted in the major part from the company's financial activities in the United States.

With some 50 per cent of IFI's international investments in the U.S., Mr. Gabetti said that the company now had \$50m. in money or near-money assets.

The major shareholders of IFI International are the Agnelli family, Italian financial holding, IFI, with 24.6 per cent, and the Agnelli family itself with a direct interest of 11.5 per cent.

Sig. Gabetti added that the current position of the Italian holding, IFI, was improving following the recent agreement between the American department of the American department, to the very tough competition in certain sectors have also had to accept orders at "very unsatisfactory prices" in order to preserve

its market share.

In his address to shareholders, the chairman spoke of the

Another earnings
drop by SKF

BY JOHN WALKER

STOCKHOLM, June 1.
THE PRETAX profit of the SKF, Mr. Johansson also said that bearings, steel and machine tool profits forecast for the whole group dropped in the first four of this year would have to be reduced by this year by 74 per cent downwards in view of the same period in 1976. Mr. Johansson expected that profitability at the company's annual cycle would improve.

The amount of the profit in the so-called "but" the Swedish situation during the first four months of 1977 rose by Kr.18m. compared with Kr.37m. in the preceding 12 months, a drop of 53 per cent.

Turnover during the first four months of 1977 rose by Kr.18m. or 9.9 per cent to Kr.25m. and during the 12 month period April 1977 went up by Kr.23m. or 4.2 per cent to a total of Kr.538m. on a Kr.538m. compared with Kr.538m.

The bank's balance sheet total rose by 38 per cent to

E.Frs.233m., with the increase for the most part in the level of working funds. Sight and time deposits went up by 16 per cent, but the most spectacular success has been in the placement of medium-term five-year bonds by nearly 50 per cent, to reach E.Frs.155m. by the end of the financial year. The bank's funds also benefited by a E.Frs.80m. privately placed bond loan this time last year.

Credit to the private sector rose by about 16 per cent in the year, to reach E.Frs.130.8m. Of this there was a steep increase in that financed by the bank itself, in particular "trade bills in portfolio" rose by 24 per cent, and loans by the bank itself, which has a very strong position in the relatively homogeneous Flemish area of the country, rose by 21 per cent. Credit to the public sector rose by 16 per cent.

The new Belgian Government prime Minister Leo Tindemans is forming this week has announced a strengthening of State control over the banking sector. In particular, in deference to the demands of the Socialist Party, which is in the new coalition, a Government official will be put on the general Board of the biggest four banks, including the Kredietbank. But the Socialist demand that two officials be put on the executive of the banks to supervise the day-to-day control of the bank was rejected by Mr. Tindemans and his Party. In general the big Belgian banks appear to be breathing a sigh of relief that the concessions to the Socialists in this field have been kept to a minimum.

Kredietbank is a member of the Inter-Alpha group of banks which includes Williams and Glyn's.

Kredietbank
post-tax
profits
rise 25%

BY DAVID BUCHER

BRUSSELS, June 1.
KREDIETBANK, the flag-carrier

of the Flemish business community, has announced a 25 per cent increase in post-tax profits, confirming its reputation of being the fastest growing (albeit the smallest) of the big three Belgian banks. Gross income for the year ending March 31 was 24.7 per cent up at E.Frs.11.1m.

Sales of the group were "not so bad," but the Swedish situation during the first four months of 1977 rose by Kr.18m. compared with Kr.37m. in the preceding 12 months, a drop of 53 per cent.

Turnover during the first four months of 1977 rose by Kr.18m. or 9.9 per cent to Kr.25m. and during the 12 month period April 1977 went up by Kr.23m. or 4.2 per cent to a total of Kr.538m. on a Kr.538m. compared with Kr.538m.

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E.Frs.233m., with the increase for the most part in the level of working funds. Sight and time deposits went up by 16 per cent, but the most spectacular success has been in the placement of medium-term five-year bonds by nearly 50 per cent, to reach E.Frs.155m. by the end of the financial year. The bank's funds also benefited by a E.Frs.80m. privately placed bond loan this time last year.

Credit to the private sector rose by about 16 per cent in the year, to reach E.Frs.130.8m. Of this there was a steep increase in that financed by the bank itself, in particular "trade bills in portfolio" rose by 24 per cent, and loans by the bank itself, which has a very strong position in the relatively homogeneous Flemish area of the country, rose by 21 per cent. Credit to the public sector rose by 16 per cent.

The new Belgian Government prime Minister Leo Tindemans is forming this week has announced a strengthening of State control over the banking sector. In particular, in deference to the demands of the Socialist Party, which is in the new coalition, a Government official will be put on the general Board of the biggest four banks, including the Kredietbank. But the Socialist demand that two officials be put on the executive of the banks to supervise the day-to-day control of the bank was rejected by Mr. Tindemans and his Party. In general the big Belgian banks appear to be breathing a sigh of relief that the concessions to the Socialists in this field have been kept to a minimum.

Kredietbank is a member of the Inter-Alpha group of banks which includes Williams and Glyn's.

Brown Boveri sees
increased orders

BY JOHN WICKS

ZURICH, June 1.

THE SWISS-BASED Engineering concern Brown Boveri to the Group as a whole, and the expects an increase in its order intake this year from the

Swiss-based record for 1976. This was stated in Baden, to-day by chairman Franz Luterbacher, to the annual general meeting. With some 50 per cent of the company now had \$50m. in money or near-money assets.

The major shareholders of IFI International are the Agnelli family, Italian financial holding, IFI, with 24.6 per cent, and the Agnelli family itself with a direct interest of 11.5 per cent.

Sig. Gabetti added that the current position of the Italian holding, IFI, was improving following the recent agreement between the American department, to the very tough competition in certain sectors have also had to accept orders at "very unsatisfactory prices" in order to preserve

its market share.

In his address to shareholders, the chairman spoke of the

MEDIUM-TERM CREDITS

Norwegian borrower

BY FRANCIS GHILES

NORGES KOMMUNALBANK is raising a Dm.500m. fixed rate loan through a consortium led by Westdeutsche Landesbank.

It carries a maturity of 10 years but the rate is undisclosed. This loan is similar to others raised under the aegis of the same bank earlier this spring for Spain and Denmark.

The loan is the first of its kind to be raised by a Norwegian borrower this year and it carries the guarantee of the Kingdom of Norway. What enables the German lander banks to make

VONTobel Eurobond Indices		
14.576	=100%	
PRICE INDEX	31.5.77	24.5.77
DM Bonds	105.62	105.87
HFL Bonds & Notes	103.21	103.30
U.S. 5-Ser. Bonds	102.60	102.64
AVERAGE YIELD	31.5.77	24.5.77
DM Bonds	7.109	7.075
HFL Bonds & Notes	7.910	7.857
U.S. 5-Ser. Bonds	8.332	8.322

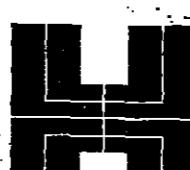
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May, 1977

HK\$300,000,000

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PETROFINA

Société Anonyme

Summary of the 1976 Annual Report

Highlights of the year

Finance (in E)	1976	1975
Petrofina consolidated profit	98,240,000	98,708,000
Cash flow (profit before depreciation)	201,858,000*	233,181,000
Sales and other revenue	3,275,750,000	3,152,070,000
Duties and taxes	2,12,679,000	778,8

credithost-tax
profits
use 25%

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Hutchison goes for HK Dock minority

BY DANIEL NELSON

HONG KONG, June 1. HUTCHISON International, which was saved from collapse by the Hongkong and Shanghai Banking Corporation, is to merge with its subsidiary, Whampoa Dock, to 250, instituting monthly financial reporting and generally streamlining the operation.

The two Boards announced that they had reached agreement in principle to a merger of the creation of a new holding company, which would have a market capitalisation of about HK\$2.5bn. (about \$300m.).

The merger will be effected as a scheme of arrangements with the proposed terms requiring the approval of 75 per cent of the shareholders of each company.

Strong opposition from a section of Hongkong Dock shareholders is expected, however, as the terms worked it for the company—the older of Hong Kong's business registration certificate No. 1—is in assets as a result of its extensive land bank.

Land on long lease is shown as the company's assets at HK\$2.2m. By the development this may be over HK\$300m. By contrast, the bulk of Hutchison's profits comes from trading, investment and services, consequently its asset base is small.

This was part of the cause of a near collapse in 1974, when, turned in a loss of HK\$12.5m. Bill Wyllie was brought in as chief executive by the Hongkong and Shanghai Banking Corporation, China Engineers, here he carried out a similar rescue job.

Although some shareholders put on 90 cents to HK\$1.50.

Pao unit raising \$HK62m.

HONG KONG, June 1. RIGHTS ISSUE to raise 11c a share, to make a total of HK\$62m. is planned by World 25c, up 31 per cent, for the year.

Three vessels—costing U.S.\$39.5m. have been recently acquired, the company said, with financing coming mainly from long-term borrowings and the balance being covered by loans under existing credit facilities.

The company announced earnings of HK\$36.9m. in the first nine months of the fiscal year to March 31. Comparable figures for the previous year were not yet. K. Pao had placed orders for 15 new ships totalling 500,000 deadweight tons. The order indicated a switch from

Directors, it was said, would switch to smaller and more specialised vessels.

This announcement appears as a matter of record only.

BY YOKO SHIBATA IN TOKYO

AS ONE might have guessed gain in revenues for the year from its export boom, Japan's (up from Y1.5bn. to March 31 to Y1.8bn. last year) the company made a significant recovery in profit of unprofitable offshore trading lines of some Y34bn.

The six traders managed to record a 51.7 per cent increase in combined recurring profits, and 32.8 per cent in net profits.

Helped by massive sales of marketable securities totalling Y1.2bn. in general the higher profits are attributed to efforts at rationalising unprofitable lines of business as well as the filling of depleted inventories abroad.

The No. 1 ranked Mitsubishi Corporation showed strongly, chalking up a 31 per cent gain in recurring profits for the year, up 5 cents for the year, the first since the 1974 final.

In his most recent annual report, Hutchison's chief executive Bill Wyllie said he anticipated that Hongkong Dock—the largest company in the group, with a post-tax profit of HK\$52.3m. last year and a published net worth of almost HK\$1bn. — "will continue to make a valuable contribution to the company's growth."

In his chairman's statement for Hong Kong and Whampoa Dock, Wyllie noted that "a close working relationship already exists between the management of both groups and I am confident that the strengthening of these ties will in due course bring further specific benefits to your company."

A suspension of share dealings was requested pending the outcome of talks, in which Hutchison will be advised by Wardley and Hongkong Dock.

The market was expecting an announcement, and Hutchison said it gained 30 cents to HK\$3.45 while the dock company

put on 90 cents to HK\$1.50.

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Peak profit from Nissan Motor

BY DOUGLAS RAMSEY

NISSAN MOTOR CO. closed the reporting season for the Japanese car industry yesterday but it reopened to-day with the first of the consolidated reports from Honda Motor.

Nissan, like Toyota, earlier reported a record level of sales and profits for the year to March, primarily on the strength of its exports. Sales for the year reached just over Y2.000bn. up 14.4 per cent in 1975, and letting Nissan post a 50 per cent jump in current profits to Y152bn.

The company did even better after tax with a 63.4 per cent increase to Y800m. The performance pushes Nissan dividend per share to Y10, or on par with the consolidated Toyota.

At Honda, which reported in April on the same date, in its financial year to February 28, the new consolidated figures reflect the buoyant health of Honda's overseas divisions. Net profits of the group amounted to Y24bn. (Y15.5bn. not consolidated). Compared with the previous full year to August 1976, the net was up 37 per cent, while sales increased 13.3 per cent to Y828.5bn. (Y665bn. not consolidated).

The company's performance confirms what many observers expected—that it has overtaken its main rival, Toyo Kogyo, makers of the Mazda car, on both the overseas and domestic markets despite a profitable year for Toyo Kogyo.

At Honda, domestic sales fell to 25.7 per cent, from earlier

levels, but exports now account for 64.3 per cent of total sales (61.5 per cent in the earlier year).

Honda sold 2.1m. motor cars last year (up 12.8 per cent) and 546,000 automobiles (up 15 per cent).

SMI profits down 65%

BY DONALD MACLEAN

SUMITOMO METAL Industries' after-tax profits fell 64.7 per cent in the year to March 31 to Y4.1bn. from Y14.4bn. the previous year.

The company attributed the fall mainly to a "sharp" fall in the export price of steel pipes.

Sales were Y1.060bn. against Y1.450bn. Earnings a share fell to 1.97, from Y5.84. The dividend was declared unchanged, at Y5 a share for the year.

Profit for the current year was "difficult" to forecast, the company said, as steel price increase negotiations with domestic users were still under way, but it hoped to maintain sales at the level of the year ended in March.

Exports of steel pipes last year rose in volume to 1.82m. tonnes from 1.80m., but in value fell to Y225bn. from Y364bn. The reduction reflected a worldwide fall in pipe prices, more than offset by an increase in the export price of other steel products.

The company reported export

shipments of 4.75m. tonnes, up from 4.41m., and export value up Y421bn. down from Y555bn.

Saint again at Takeda

TAKEDA CHEMICAL Industries announced fixed profit of Y7.45bn. (Y7.32bn.) in year ended March 31 on sales of Y303.55bn. (Y279.90bn.), reports Reuter. Dividend is Y7.5 (same).

Sumitomo may block NRC auction

THE SUMITOMO MOULD may take steps to prevent Newfoundland Refining (NRC) from being auctioned, as an auction may prevent claims by Atsaka against the Canadian company from being collected, a Sumitomo spokesman said, reports Reuter from Tokyo.

Upturn at Nippon Steel

NIPPON STEEL reports sales for 1976 of Y2.506bn. a gain of 19 per cent. Net profit was Y28.8bn. (Y14.5bn.).

Stein Bros.

YESTERDAY'S REPORT on Premier Milling inadvertently referred to the group's acquisition of Stein Bros. This was however acquired by rival group Tiger Oats.

Swire pulls in \$HK530m.

SWIRE Properties' offer for

sale of 55m. shares at HK\$2.75

per share appears to have been

submitted some 31 times—

pulling in HK\$530m. (or

Y56m.) of investors' cash.

Full details will be made known to-day. But to judge from cables arriving in London yesterday from Hong Kong's

leading stockbroker, Sun Hung Kai, it is clear that the issue has surprised even the most optimistic of observers.

Hong Kong stockbrokers said they expected the shares to show a premium—probably in the range of HK\$2.90 to HK\$3.25 — when Stock Exchange dealings start, possibly around June 13.

AUSTRALIAN COMPANIES

CSR held in check by low sugar price

BY JAMES FORTH

LOWER WORLD sugar prices problems, sales were limited by and industrial troubles at its production rather than markets iron ore investment have meant Mount Newman lost a total of sugar, building materials, mining 75 production days through industrial action, including one stoppage of 37 days. But there were encouraging signs that the trade unions and government were prepared to join with the company to search for improvement in working relations.

About 37 per cent of the company's sales of sugar were for export at prices related to the London daily price, which fell during the year. A further 30 per cent was sold to Japan and Malaysia at fixed prices, which are currently under pressure for renegotiations because the LDP is below the contract price.

These contracts extend to 1980 but CSR is exploring whether the buyers' price or price indications might be accommodated to enhance the longer-term position of Australian sugar producers as to justify price concessions in the short term.

Devaluation improved revenue from commodity exports, although it also increased freight costs and book losses on outstanding foreign loans.

Continued slackness in economic activity in Australia and abroad and continued inflation also affected costs and profits.

Partly offset by increased results from coal activities.

Shipments from the Mount Newman project were only 29.3m. tonnes, although there is capacity for much higher tonnage. The directors said that largely because of industrial

reduction in staff numbers.

Bid for Capitol Motors

BY JAMES FORTH

CAPITAL MOTORS, Australia's largest distributor of Datsun motor vehicles, may be acquired in a \$2.77m. cash deal. However, the chairman and managing director of Capitol, Mr. Arnold Glass to-day advised shareholders not to sell their shares because "talks" were being held with another party which could lead to an offer of \$4.4 a share.

Mr. Glass is the key to any bid situation because he holds 49 per cent of Capitol's equity.

Capitol shares were priced at \$4.27 before the "don't sell" Stock Exchange rules announcement. If the deal goes through Mr. Glass will receive a guarantee that a similar

Weekly Net Asset Value

on May 31st 1977

Tokyo Pacific Holdings N.V.

U.S. \$ 40.41

Tokyo Pacific Holdings (Seaboard) N.V.

U.S. \$ 29.46

Listed on the Amsterdam Stock Exchange

Information: Pierson, Halden & Pierson N.V. Herengracht 214 Amsterdam

These securities having been sold, this announcement appears as a matter of record only.

2nd June, 1977

U.S. \$40,000,000

Nordiska Investeringssbanken

(Nordic Investment Bank)

7 3/4% Notes Due 1984

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Credit Suisse White Weld Limited

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Aktieselskab

Kreditbanken

Girozentrale

Den

norske

Creditbank

Skandinaviska Enskilda Banken

Banken

Amsterdam-Rotterdam Bank N.V.

Amex

Bank

Commercial

Italian

Bank

Bank

Julius

Baer

International

Bank

Bank

Mees

& Hope

NV

Bank

Bank

Banque

Bruxelles

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S.A.

Banque

Générale

du Luxembourg S.A.

Banque

de

Neufville

et

Suzille

Mellier

THOSE REQUIRING
THE FT DAILY,
PLEASE SIGN BELOW:



Varley to take industrial strategy to company level

BY KENNETH GOODING, Industrial Correspondent

DURING THE next few weeks very little is common except that they are all part of the need before committing them to an expansion project first the public purse were having between 12 and 15 major manufacturing companies for detailed discussions about each company's performance, prospects, problems and the constraints it feels are imposed by the Government and its agencies. The company will also tell Mr. Varley how his department and other Government departments can help them achieve their objectives.

All this is part of the latest highly experimental stage of the industrial strategy programme. The idea was sparked off by one of the messages in the paper produced during the first stage of the strategy—a process which involved working parties from 30 manufacturing sectors examining their problems and trying to see how they could improve their performance and achieve export-led growth.

Like so much else in the first phase of the strategy, there was nothing particularly new in the message. It was simply that Ministers and the civil servants who advise them should have a better understanding of manufacturing industry and of the kind of environment in which it can function smoothly. The first-stage paper pointed towards the report which seems to exist between industry and the civil service in West Germany and France. They also indicated that there was a need for UK government agencies to work more closely together in the support of manufacturers.

Mr. Varley has already sat through two or three-hour sessions with four of the sector working parties involved. Mr. Alan Williams, Minister of State, was at the industrial engines meeting.

The sector working parties in their current work, have been trying to identify medium-to-long-term objectives for their particular industries and the quality of resources, capacity and so on needed to achieve them.

These ideas are now being taken to the companies via the experiment in which Mr. Varley is involved. It is acknowledged that there is no chance whatever of the industrial strategy achieving any objectives at all unless individual companies make decisions and act upon them. And the whole point of the industrial strategy has always been that ideas and objectives should come up from the companies where they originated rather than the companies having their targets picked and imposed on them by the Government and its advisers.

The five chosen sectors have

What companies so soon after the need before committing them to an expansion project first the public purse were having to any significant change announced in 1973. There is to be cut back.

Mr. Varley would certainly claim that recent financial schemes offered to industry have been specially tailored to answer a demand shown up in the sector working parties.

The £100m selective investment scheme—successor to the accelerated projects scheme—which aims to encourage companies to embark on major capital projects earlier than would have been possible without Government help—is a prime example.

Advantage

The managing director of one construction equipment company, which will be able to bring forward by four years the launching date of a new product by taking advantage of this scheme, commented: "The beauty of it is that it helps industry concentrate its resources and bring projects to fruition so much more quickly." He added a reminder, however, that "unless companies already have the schemes planned and in their schedules the scheme is of no use to them."

The next financial incentive scheme ready to emerge from the Department of Industry sprang directly from the industrial strategy programme. It will be a product development scheme which will replace and simplify the support to industry already available under the Science and Technology Act 1965. Two existing schemes introduced in the 1960s have become so complicated as to be almost unworkable. They will be replaced by something that industrialists will find easier to understand and which the department will find easier to administer.

It is noticeable that people at the Department of Industry tools, textiles, printing machinery, non-ferrous and electronic components and so on.

NEDO was deliberately chosen as the base to work out that suggests they are confident it provides bi-partisan, neutral ground. The strategy has the tacit support of both the CBI and the TUC, and the Government has made a big commitment to it. Hence, Mr. Varley was able to nine months, at least in their joint paper on public utterances.

As for the five sector experts, their financial planning in recent months the Government good. But we will have to wait until later in the year to see just how successful, or otherwise, it is for the strategy and have set aside has been and whether it is to be expanded to other industries.

Dare you circulate this?

If you did, you'd probably be amazed how many people would want the FT—and quite rightly.

Shouldn't your departmental heads and executives be as well-informed as you are?

Make sure they all have their own copies of the FT—every day.

In these competitive times everyone in business needs the

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

Catalyst

So five sectors have been chosen to be the subject of concentrated effort by Mr. Varley and his department. In the words of a paper signed jointly by Mr. Varley and Mr. Denis Healey, Chancellor of the Exchequer, "we wish to see whether there is scope for the Government to act as a catalyst in bringing about, in concert with both sides of the industry concerned, a more rapid improvement in performance along the lines indicated in the relevant sector working party reports."

The five chosen sectors have

Merthyr

To take one obvious example of the same Act—which probably says: "We intend to build a new factory in 1978. Can you give support for companies

the Government provide

set up at each

industry

now?" The answer might well be: "Yes."

The hope is that this specific type of assistance to

the Hoover

example shows that it is perfectly possible to use Section 7

it is

the

continuity

Government is to provide

the

Government

is to spend

the

Government

is to

BOOKS

Just dandy

C. P. SNOW

From the Sun a narrative decadence' in England 1918 by Martin Green. £7.50. 552 pages

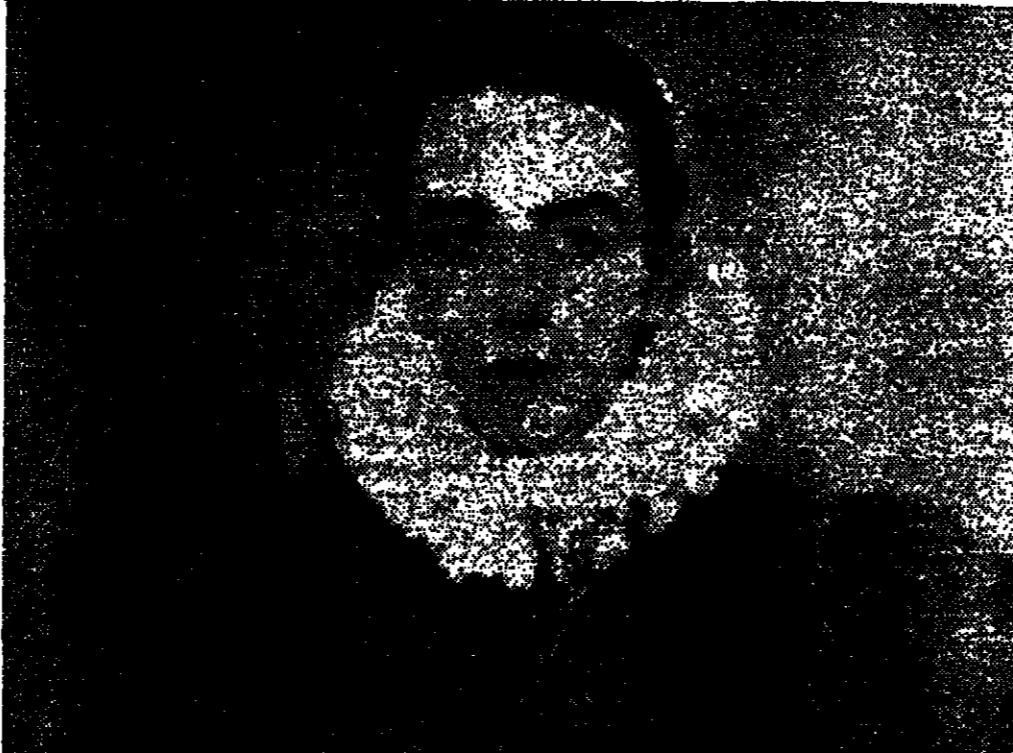
Martin Green has taken terrible risks throughout literary career. With this he has plunged into the le. He will make a lot of lies, some of whom will see him some will pretend not to. He can endure, but is a curiously tumultuous society, and any critic tries to say new things and to be popular.

He is a daring man, and one who respects daring. His risks seem well worthwhile. For myself, I have to say on other hand that his mind doesn't seem so much world as they are mainly due to absence of carelessness in the art and attitudes of the Children of the Sun. In adult responsibility, especially in political ones, they tended to be beatable.

Green leads into this grouping of characters who were not well known. Sir Harold Acton, having come to terms with his temperament, is now a benevolent elder statesman of the arts, and this writer's excellent historical works. Those were different long ago, when he and Howard were at Eton.

These defects affect his minor ones—marginally. The e is in summary something this. After the First World War this country had lost most power and was economic decaying. That is manifest. At the same time, it ed a phase of cultural life, particularly in the which is Green's special (this didn't apply at all to ce where the same period as creative as any the try has known). One doesn't from the term 'decade' by the way. It has a well-mixed meaning in cultural characteristics, and some in Silver-Area, it can give its own beauties.

We have now heard enough of this slice of Oxford in the 1920s. There were of course other slices, including an intellectual one as we shall soon learn from an acquaintance could crop up.



Brian Howard—most notorious of the dandies discussed by Martin Green in the book reviewed to-day.

A. J. Ayer's autobiography: How as Howard's must have done, likely to be missed by those to ever, the Acton-Howard aesthetic. There wouldn't have been much full of insensate rage, to read that art—found an eager audience. This was the Promised the Children of the Sun. With the decent men were fine, but hard—perhaps more in life more immediate practical as so far he tells, about his literary

and Oxford aesthetes is that few they had some of the instincts. Anyway, Amis no less was taking of the period seems to have had any androgynous of a group, and on 'dandified' postures. Green

cept for the inevitable Howard, came to realise that, in unadmitted recesses of his own mind, he had always had soft spot,

though not a high regard—for some of the dandies himself. This meant Waugh above all, but not the dandies' favourite idol, Wodehouse.

So where to turn? The dandies weren't good enough. One couldn't build a literature and a civilisation on them. Nor

self by now expanding into international modernism (Green is could one—and this was less blind). The literary world, then an interesting and often a deep

critic, but this is puzzling. What has international modernism? The answer is very strange:

It is difficult to say. For years Green, who is don't agree with the line of argument, the final revelation is like

an incredible twist at the end of a detective story. Green now has some possible hope for Eng

land. His literature. Where does he

he has christened 'the decent see it'. In the master dandy

he is nothing if of all dandies, the antinomian

childhood didn't make it less

for years. Green, who is

remember that there was no American writer, became a follower of those whom he re

garded the anti-dandies: Orwell, Huxley, Aldous Huxley, and possibly future friends.

Howard liked on the strength of his visit and shall probably

see more of, owing to his poems which we began to day to set up.

Diaries reveal a private life that is rarely consistently like

itself. Wodehouse could be silly, catty, whimsical, effete, racist even, and a great many more unattractive things, but

he remained with a genuine and the complete text of her

which will eventually run to five

volumes will be one of the most

important and also one of the

most readable books of 20th

century literature.

It is fascinating to compare his

sightly apologetic tone in that

preface with the supremely confident assertion of his nephew

Quentin Bell in his introduction to The Diary of Virginia Woolf

Volume I: "In calling it a major

work I wish to imply not merely

that it is a large work of major

historical and biographical

importance (which it certainly

and obviously is) but also that

evidence of this comes in the

scholarly edition of the two

holograph drafts of The Waves

prepared by J. W. Graham.

Between July 1929 and July 1931

Mrs. Woolf wrote two separate

drafts of the book and typed

each draft as she went along;

then she produced a third type

script which with some alter

ations was given to a professional

typist who typed a fourth type

script from which the book was

set. Now one can watch in detail

the labour by which the germ

of an idea which came to her

one day—One sees a passing

of the evenings of

the most daring novel she wrote.

From the Elysée Palace

By IAN DAVIDSON

Towards a New Democracy by Valery Giscard d'Estaing. £2.95. 150 pages

President Giscard d'Estaing is in a curious political predicament, and he seems to be approaching it in a very curious way. His predicament is that while he is safe in the Elysée Palace for another four years, he may within nine months lose his centre-right power base in the National Assembly, with the obvious danger of confrontation between himself and a Socialist-Communist Cabinet. The picture he paints is conventional and a shade complacent. He proclaims the unoriginal thesis that both of the mainstream political ideologies—Marxism and classic laissez-faire liberalism—have proved inadequate if not bankrupt as models for the future; yet his alternative model—a more democratic, more human, more decentralised mixed economy—while entirely unexceptionable to most bourgeois liberals, no doubt, seldom departs from fashionable banality.

On the other hand, he does recognise the alienation of the individual, and big sense of being oppressed by big organisations and institutions, above all by the State. Yet all he offers to counter this sense of oppression is a recipe, if it can be called that, which goes no further than a change in style, an improvement in communication. Worker participation is all right, if it is confined to company executives, to extend it to the mass of employees would only disrupt production. He gently admires the bureaucrats, for they express their ideas better, not for a moment does he seem to consider that the bureaucracy is too powerful. In this respect his attitude is at the opposite pole from that of Alain Peyrefitte, the long-standing Gaullist Minister whose Le Mal Français documents the nonchalance with which the State bureaucracy thwarts, or simply ignores, the democratic process.

Indeed, one might get the impression from *Towards a New Democracy* that there are no really intractable problems facing France: the impression is that, with a bit of decentralisation, a few more houses and a limited extension of worker participation, better PR by the state officials, and the abandonment of out-dated ideology in favour of toleration and reason, and everything would be plain sailing. Somehow it all fits with his much publicised gimmick of having dinner with dustmen. It will be doubly fascinating to see if he can persuade François Mitterrand and Georges Marchais to abandon their bankrupt ideologies, when they are all sitting together round the cabin-table.

Virginia's journals

BY ANTHONY CURTIS

The Diary of Virginia Woolf: 1913-1919, edited by A. O. Bell. The Hogarth Press. £3.50. 356 pages

Virginia Woolf: The Waves; the two holograph drafts transcribed and edited by J. W. Graham. The Hogarth Press. £20. 767 pages

This week of captivity in making

out an account of my friendships and their present condition, with

some account of my friends characters; and to add an

estimate of their work and a

forecast of their future works,

—we then leapt about frantically to March 1919 when this

project was being held. Now we

have the excluded entry for

January 22 with its list of

friends. Lyton, Desmond, Saxon, Kira, Rupert, Duncan, Alix, Carrington, Barbara, Nick, Bunny, etc., and possible future friends.

Elliott liked on the strength of

of our visit and shall probably

see more of, owing to his poems which we began to day to set up.

Diaries reveal a private life that is rarely consistently like

itself. Wodehouse could be silly, catty, whimsical, effete, racist even, and a great many

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and the complete text of her

which will eventually run to five

volumes will be one of the most

important and also one of the

most readable books of 20th

century literature.

It is fascinating to compare his

sightly apologetic tone in that

preface with the supremely confident assertion of his nephew

Quentin Bell in his introduction to The Diary of Virginia Woolf

Volume I: "In calling it a major

work I wish to imply not merely

that it is a large work of major

historical and biographical

importance (which it certainly

and obviously is) but also that

evidence of this comes in the

scholarly edition of the two

holograph drafts of The Waves

prepared by J. W. Graham.

Between July 1929 and July 1931

Mrs. Woolf wrote two separate

drafts of the book and typed

each draft as she went along;

then she produced a third type

script which with some alter

ations was given to a professional

typist who typed a fourth type

script from which the book was

set. Now one can watch in detail

the labour by which the germ

of an idea which came to her

one day—One sees a passing

of the evenings of

the most daring novel she wrote.

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Michael Blanden looks at the latest economic forecasts of the National Institute

Slow rate of growth and continued rise in unemployment expected

THE MAIN uncertainty affecting the latest forecasts produced by the National Institute of Economic and Social Research concerns the prospects for the economy in Stage Three. The institute stresses the importance of an agreement being reached which will limit the rise in earnings to not more than 10 per cent and of this agreement holding. Otherwise, the Review foresees the UK moving back dangerously close to the sort of crisis experienced in 1974-5, with rapidly rising inflation and unemployment and a subsequent sharp deterioration in the balance of payments.

The central forecasts are based on a compromise figure assuming a 15 per cent annual rate of increase in earnings in Stage Three. This produces very gradual progress in abating inflation and a move into balance of payments surplus this year. But the underlying picture, the institute says, is "far darker."

Underlying

With a 15 per cent growth in earnings, inflation would still be running at over 10 per cent a year throughout the forecast period, with the threat of a much higher rate if the incomes policy broke down. At the same time, the institute predicts a continuing rise in unemployment.

It is also concerned about the absence of any progress towards correcting the underlying balance of payments deficit which could emerge when North Sea oil runs out.

The overall economic prospect outlined is for a fairly slow rate of economic growth, with gross domestic product rising at an underlying rate of about 2 per cent, throughout the next two years. Unemployment is expected to continue to rise slowly, reaching about 1.5m. by the end of this year and about 1.6m. by the end of 1978.

The institute still expects the balance of payments to move into surplus this year by about £400m. Next year, it foresees a surplus of around £1.5bn. The public sector borrowing requirement is expected to fall from nearly £3bn. in 1976-7 to about £2.5bn. in the current financial year and to £5bn. in 1978-79.

Interest rates would probably stop falling in the near future, probably posing difficulties for the funding of the borrowing requirement in the current financial year and producing a rise in rates later.

Contrast

In general, the institute's forecast for consumer spending and thus for output growth is more buoyant than the Treasury's. The institute suggests that this is probably largely due to its more pessimistic assumptions about earnings.

There is a greater contrast between the institute and the other post-Budget forecast by the London Business School, which foresees a decline in private investment in 1977, greater depression in private consumption and a different pattern in import growth. As a result, the business school's forecast current account surplus of £1.5bn. this year and £2.5bn. next year is a good deal more optimistic than the institute's.

Discussing the outlook for

On these assumptions—and given the balance of payments projections—domestic credit expansion should be about £7bn. in 1977-78 and about £6bn. in 1978-79. These figures are within, but only just, the limits of the letter of intent to the International Monetary Fund.

Background

The main changes since the institute last made its forecasts in February have been the deterioration of the outlook for earnings and the Budget. The

earnings rise assumed for Stage Three has been raised from 1.2 to 1.5 per cent. Also the February forecasts assumed tax concessions of £800m. for the Budget whereas the actual total was £1.5bn.

These changes in the background account for a rather greater buoyancy in the institute's latest forecasts for the economy. They account, too, for the more pessimistic outlook for inflation, with consumer prices expected to increase by 10 per cent. Next year, as in a February prediction of 7.5 per cent, there is a lowering of the borrowing requirement forecasts.

The institute has again revised downwards its expectations for the balance of payments. The surplus for 1978 is now put at £1.5bn., compared with a February forecast of £2.2bn. Its figures, however, remain more optimistic than the Treasury's forecast in the March Financial Statement, showing a continuing deficit of £500m. this year.

Vulnerable

The Government could then quote this as its earnings forecast, allowing the conditional tax cuts which, with a 10 per cent earnings increase, would enable the claim to be made that real take-home pay would not fall.

However, the institute argues that policing the flexibility provisions would be very difficult and that, allowing for this, a package would probably bring an increase in average earnings of about 15 per cent between mid-1977 and mid-1978.

Examining private investment, the institute says that the outlook is confused. On one hand

the Confederation of British Industry intentions data remain extremely buoyant, yet given the continuing depressed state of demand and high levels of spare capacity "it is difficult to understand this degree of optimism."

Nevertheless, given the

strength of the intentions data and bearing in mind the level

of State aid to industry, the institute still thinks an agreement will be reached, enabling the conditional tax cuts to go ahead. It forecasts a rise of some 15 per cent for investment in manufacturing industry during 1977, with a further increase of nearly 12 per cent during 1978.

On these assumptions—and given the balance of payments projections—domestic credit expansion should be about £7bn. and £6bn. set out in the letter of intent to the International Monetary Fund.

The institute's best estimate for the underlying rate of growth of output per head is now about 2 per cent a year. This could rise marginally later in the forecast period, given the investment recovery predicted.

Assuming that the conditional tax cuts go through, the institute predicts total personal disposable income in nominal terms to rise by some 14 per cent, during 1977 and by about 12 per cent in 1978. Unemployment is expected to edge up from the present figure of about 1.3m. at the end of 1977 and nearly 1.5m. at the end of 1978.

On this basis, and allowing for the lags involved in adjustment to changes in output, the institute expects virtually no change in employment during 1977, followed by a fractional fall in 1978. Unemployment is expected to rise by about 13 per cent during this year and 10 per cent next year.

After real personal disposable income, after falling during the first two quarters of 1977, gradually picks up during 1978, giving a year-on-year fall of some 2 per cent in 1977, but a rise of nearly 2 per cent in 1978.

Assuming that there will be little significant change in the savings ratio, this implies that consumers' expenditure is likely to rise by about 13 per cent on the

balance of payments current account as a whole from now on.

The institute adds: "It is

perhaps worth pointing out

nonetheless that the current

effect of North Sea oil would be of a renewed wage explosion in

Compared with the low earnings case, the high level

increases in earnings, the

Institute concludes, "leads to a

medium-term to sharply acceler

ating price inflation and a falling

exchange rate, to declining

economic growth, and re

personal consumption, to rapid

rising unemployment, and

falling investment."

Because of the lags in the

system in the short term, the

earnings increase ahead of price

leading to higher consumer

spending and, for a while, lower

unemployment.

"These benefits are, however,

short-lived: the longer-term rate

of gaining them is, in terms of

inflation, jobs and living stand

ards, very high indeed."

The general picture emerges

fairly clearly, the Institute says

though the details are quite

complex. The most obvious dif

ference between the two case

lies in the rate of inflation.

In the low case, with earnings

rising by only 10 per cent a

year, the annual rate of increase

in the consumer price index

down to 7 per cent by the

half of 1979 and still falling.

SUMMARY OF THE CENTRAL FORECAST

Real GDP (% change, year/year)	Real personal disposable income (% change, year/year)	Unemploy- ment (fourth quarter m.)	Money supply (% change, year/year)	Consumer prices (% change, year/year)	Current account balance (year, £bn.)	Public sector borrowing require- ment (fiscal year, £bn.)
1976 1.2	-0.5	1.3	11.3	15.2	-1.4	8.8
1977 1.5	-2.2	1.4	7.9	14.5	0.4	6.0
1978 2.3	1.9	1.6	14.0	10.5	1.3	5.1

* GB, seasonally adjusted, wholly unemployed, excluding school leavers and adult students.

ESTIMATES AND FORECASTS OF THE GROSS DOMESTIC PRODUCT: SUMMARY

GDP: com- promise estimate (at factor cost)	Con- sumers' expenditure	Public authorities' current spending	Gross fixed investment	Exports of goods and services	Stock- building	Total final demand	Imports of goods and services	Adjust- ment to factor cost
1976 year 47,394	35,290	11,101	9,562	15,551	-464	71,040	14,589	9,057
1976/75	1.2	0.2	2.8	-4.3	6.9	2.1	5.0	2.8
1977/76	1.5	-0.3	1.1	-3.1	5.9	1.8	3.6	0.4
1978/77	2.3	2.0	-0.5	4.9	1.0	2.3	1.9	3.2
1976 IV/75 IV	2.2	2.7	1.8	-5.2	9.7	3.6	7.0	5.6
1977 IV/76 IV	2.0	-0.4	-0.1	-0.1	-1.7	1.5	1.3	-1.1
1978 IV/77 IV	1.5	-0.7	5.4	1.9	1.9	2.5	2.8	

Percentage changes (4m. 1970 prices)

1976/75 1.2 -0.3 2.8 -4.3 6.9 2.1 5.0 2.8

1977/76 1.5 2.0 -0.5 4.9 1.0 1.8 3.6 0.4

1978/77 2.3 -0.7 5.4 1.9 1.9 2.5

U.K. ECONOMIC INDICATORS

	1977	1976
General		
May Apr. Mar. May Apr.		
Unemployment ('000s) ...	1,341.7p 1,392.2p 1,383.8 1,271.8 1,281.1	
Unfilled vacancies ('000s) ...	168.4p 155.5p 144.3 124.4 118.7	
Currency reserves (£bn.) ...	10.13 9.62 7.78 4.848 5.905	
Basic materials ('970=100) ...	349.1p 347.4p 339.5 286.3 274.2	
Bank advances (£bn.) ...	15.915 15.907 15.041 14.196 14.080	
Manuf. products ('970=100) ...	233.1p 230.8p 248.2 211.5 208.6	
Terms of trade ('970=100) ...	73.7p 80.4p 80.8 80.0 81.2	
Steel weekly average ('000 tonnes) ...	377.6 411.2 424.3 461.3 430.8	
Retail prices (1974=100) ...	180.3 173.8 174.1 153.5 150.6	
Wage rates (July 1972=100) ...	224.5 223.8 223.3 208.8 206.7	
HP debt (£m.) ...	2,737 2,691 2,661 2,297 2,296	
Industrial output ('970=100) ...	104.3 104.0 104.3 102.0 102.6	
Retail sales value ('970=100) ...	213.8p 218.1 217.6 188.3 189.6	
Trade and Industry		
Apr. Mar. Apr. Apr. Mar.		
Imports (fob) (£bn.) ...	2,736 2,730 2,237 2,630	
Exports (fob) (£bn.) ...	2,627 2,489* 2,503 1,922 1,847	
Visible trade balance (£bn.) ...	-0.109 -0.232 -0.283 -0.263 -0.182	

19% of Doctors urge tougher action to reduce cigarette sales

scientific evidence for working women has continued to rise. The reduction of smoking by up to date in a third doctors has been striking, for from the Royal College of Physicians, published yesterday, which makes strong recommendations to Government to reduce the number of cigarettes smoked. A summary of doctors' evidence and recommendations follows.

Cigarette smoking is still as a cause of death as the great epidemic diseases of past. The evidence of its is becoming increasingly

But, although the dangers more widely recognised, to combat them remain inadequate.

ERSUASION

producing this report, the College of Physicians has joined by representatives of the Royal Colleges and to review the evidence and make a renewed call for action by individuals, voluntary organisations and the Government to protect the public against the害 effects of smoking tobacco.

SMOKING HABITS The percentage of men and women in professional classes who cigarettes has steadily in special day rooms, side-wards, in sections of wards reserved for smokers. Tobacco not to be used in working men, and in

sold in hospitals or other health care premises.

TABACCO SALES PROMOTION Expenditure on sales promotion has remained high with large outlays on gift coupons and on sponsorship of sports and the arts. In 1976 total expenditure amounted to £80m. Increasing breaches of the manufacturers' own cigarette advertising code led to the imposition of a stricter code by the Advertising Standards Authority in 1976, but no legislation has been introduced to ban or limit of advertising has yet been accepted.

RECOMMENDATION All tobacco sales promotion—including advertising, coupons and sponsorship—be phased out over a period of a few years, starting with higher tax brands.

RESEARCH British tobacco manufacturers have continued to support research in many fields related to smoking. There is no co-ordination or direction of research into smoking and health by Government research councils or universities, and little research has been done into ways of preventing smoking or reducing its harmful effects upon health.

RECOMMENDATION An important requirement if tobacco-related diseases are to be brought under control is a large increase of research into ways of encouraging people not to smoke.

SMOKING IN HOSPITALS Smoking in general hospitals words to be permitted only in special day rooms, side-wards, or sections of wards reserved for smokers. Tobacco not to be used in working men, and in

harmful forms of smoking, and the detection of people who are especially liable to be harmed by the habit. A special smoking research unit would greatly facilitate such research.

PUBLIC EDUCATION This has been furthered with posters, advertising campaigns, and television commercials, with the help of the mass media. Warnings on cigarette packs and advertisements have been weak and ineffective. Total expenditure by the Government on anti-smoking activities in 1975-76 was £1m. compared with the £80m. spent on promoting tobacco sales.

RECOMMENDATION All tobacco advertising—incuding advertising, coupons and sponsorship—be phased out over a period of a few years, starting with higher tax brands.

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Loans	3,285,721
Securities	3,648
Current Accounts with Treasury, Bank of Italy and other Banks	760,127
Accounts with Credit Institutions	22,966
Sundry Credits	66,380
Unamortized Bond Discount	147,979
Other Assets	11,096
	4,297,916
Capital	21,000
Reserve Funds	16,547
Special Contingency Fund	97,716
Bonds	3,313,408
Loans	383,269
Advances Received	75,942
Loans in course of Disbursement	226,756
Accounts with Credit Institutions	62,031
Sundry Debts	54,110
Other Liabilities	43,016
Profit	4,121
	4,297,916

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STOCK EXCHANGE REPORT

Gilts steadier on reduced fears about interest rates

Leading equities again fluctuate narrowly in small trade

Account Dealing Dates:

Opiton
*First Declara- Last Account
Dealsings Days

May 22 Jun. 9 Jun. 10 Jun. 21

Jun. 13 Jun. 23 Jun. 24 July 5

Jun. 27 July 7 July 8 July 19

** "New time" dealings may take place from 9.30 a.m. two business days earlier.

British Funds made the best

showing in stock markets yester-

day on some abatement of recent

fears about the upward pressure

on short-term interest rates.

Money market rates eased slightly

after yesterday's 1.5 per cent

rise in the Funds was reflected

in gains to 4 in the shorts and

to 4 in the longs; the Govern-

ment Securities index up 0.20 at

65.47, more than regained the

previous day's loss of 0.16 but was

still showing a fall of just over

three points from the four-day

high of 65.50 set along the

middle of last month. Sentiment

was helped yesterday by the

further boost for a stage three

pay policy after overwhelming

votes from the steelworkers and

the NUGMW for an orderly re-

turn to free collective bargaining.

The illustrated business fell away

as illustrated by the small gains

in dealers' markets, 4.85% this

compares with the previous day's

6.63% and the week-end level of

8.26%. The equity leaders fluctu-

ated narrowly either side of the

overnight closing levels and the

FT-30 share index was held within

a range of less than 1 point at the

day's lowest 120.8 down at the

day's highest 121.1 a.m. and 121.6

an hour later at 121.6 which

was also the close. Falls in FT-

quoted Industrials outnumbered

rises, by four-to-three, for the

fifth successive day and features

were again few and far between.

Those that did emerge usually

reflected small speculative buying

interest and company trading and

other statements: share prices of

three of the leaders fell with

the lead of the queen for

right issues made small improve-

ments. Minor changes either way

were recorded in the FT-Actuaries

indices, with the All-share show-

ing no notable percentage altera-

tion at 126.87.

The prices of gold bullion and

gold shares firmed in front of

the result of yesterday's IMF gold

auction and the Gold Mines index

down 2 points on Tuesday, re-

sumed its previous rally and

closed 5.8 up at 122.8.

Gilts rally

Realisations that the recent steep fall in quotations had proba-

bly gone too far coincided with

a lessening of the upward pres-

sure on money market rates and

provided the necessary factors for

a more positive reaction in

British Funds. The short end of

the market still had to contend

with some sizeable selling but it

was gradually absorbed and

helped late by the narrowing of

the discount on forward sterling,

quotations closed at the day's best

and some 4 higher. Once again, business in the new variable coupon Treasury 1981 stock was substantial and the Government broker who drew his selling price to 125p, put Carter-Cross and Leonard hundredths that much to 125p and remained later at 125. Medium and longer dates were also firm, but edged away from the highest levels before moving up again in the unofficial trading on vague talk of favourable market pointers being in the offing.

Recently-issued Fixed Interest stocks also displayed a firmer tone with Stockport 124 per cent, 1985, and Sunderland 124 per cent, 1994, rising 40p on the results. Anchor and W. W. Ball both improved 3 to 124p, and longer dates were also firm, but edged away from the highest levels before moving up again in the unofficial trading on vague talk of favourable market pointers being in the offing.

The Banking sector was again

devoid of features. With the

exception of Lloyds, which edged

forward 3 to 231p, home banks

were again mixed, with

Barclays, 125p, and

HSBC 125p, both improved 1 to

125p and 125p respectively in 120

per cent form.

In a depleted business, small

sellers of investment currency

held sway and the premium

drifted lower throughout to close

at 124p. News of record prices

for cacos on the London terminal

market met with a muted response

from the common level of 67p.

J. Stephen suspended

John Stephen attracted a fair

amount of early speculative sup-

port and advanced from an over-

night price of 5p to 12p before

being suspended at that level

around midday on the company's

request pending bid develop-

ments. Elsewhere in Stores, marginally firmer at 125p. Supermarkets were idle and featureless.

Grand Metropolitan fluctuated

narrowly and closed at the over-

night level of 78p; stockjobbers

expect the company to announce

pre-tax profits of around £28m in

the interim report to-day. Else-

where in Hotels and Caterers

Tran House, Forts and 125p

and 125p, while 125p and 125p

in the same sector were 125p and

125p respectively. The new

shareholders' rights issue proposal

was 125p and 125p respectively.

Secondary issues provided the

few noteworthy movements in

Electricals. Petbowl improved

125p to 125p in a thin market,

while Brooks, 125p, and

Farnell Electronics 125p, both

closed 2 harder. Of the leaders,

Decca were out of favour despite

the announcement that the com-

pany has perfected a break-

through in disc techniques

and will help to consolidate

its hold on the world market for

big ship radar; the Ordinary and

Preference 125p and 125p re-

acted 2 to 125p and 125p respec-

tively. Rank Organisation edged

forward that much to 125p with

the help of Press comment.

Secondary issues were mixed

in the new share issues. The new

shareholders' rights issue proposal

was 125p and 125p respectively.

Reed Int. easier

Profit-taking in the wake of

Tuesday's results left Reed

International 6 down at 206p and

the major casualty in generally

etgetic and miscellaneous Industrial

Companies 125p, while 125p

and 125p, both improved 1 to

125p and 125p respectively. The new

shareholders' rights issue proposal

was 125p and 125p respectively.

Secondary issues provided the

few noteworthy movements in

Electricals. Petbowl improved

125p to 125p in a thin market,

while Brooks, 125p, and

Farnell Electronics 125p, both

closed 2 harder. Of the leaders,

Decca were out of favour despite

the announcement that the com-

pany has perfected a break-

through in disc techniques

and will help to consolidate

its hold on the world market for

big ship radar; the Ordinary and

Preference 125p and 125p re-

acted 2 to 125p and 125p respec-

tively. Rank Organisation edged

forward that much to 125p with

the help of Press comment.

Secondary issues were mixed

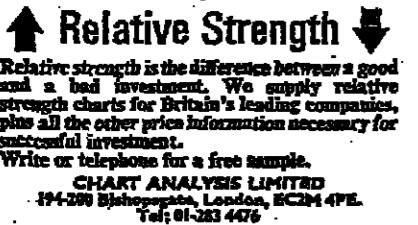
in the new share issues. The new

shareholders' rights issue proposal

was 125p and 125p respectively.

Reed Int. easier

Profit-taking in the wake of



LESTER PIGGOTT WINS DERBY FOR EIGHTH TIME



Even Lester Piggott had to smile at Epsom yesterday. The jockey, who is normally so serious, beams after winning the Derby for the eighth time. Piggott, seen in the centre

passing the winning post on The Minstrel, said afterwards to trainer Vincent O'Brien: "Go on, admit it, you wouldn't have run him if I hadn't told you to."

Before the race the Queen and Duke of Edinburgh were studying form.

Dominic Wigan's report. Page 2.

Need for pay curbs stressed

BY MICHAEL BLANDEN

THE GOVERNMENT should be the main forecasts on this basis present a fairly bleak out-look for the economy in the next two years, though with some brighter spots. Economic growth is held down firmly in the next stage of the incomes policy, is expected to remain quite low, according to the influential National Institute of Economic and Social Research in its quarterly Review issued to-day.

Against this background unemployment is forecast to continue rising slowly, reaching about 1.5m. at the end of this year against the current level of 1.3m., and perhaps increasing to 1.6m. by the end of next year.

An increase in earnings of the size assumed would lead to only very gradual progress in bringing inflation down. Consumer prices are expected to rise about 13 per cent this year and about 10 per cent next year.

Against this, if the Government held to a tighter incomes policy inflation could be down to about 7 per cent a year by the first half of 1979. But if the policy broke down it could be back up to more than 16 per cent.

The institute sees a case for some retension to smooth over the dip in real earnings which would result if a tight incomes policy were achieved.

Even if it meant re-opening the ceilings agreed for 1978-79 in the letter of intent to the International Monetary Fund, there would be an argument for further retension to begin to reverse the rise in unemployment.

But the institute takes a relatively gloomy view of the likely outcome of the pay talks. It illustrates in detail what would happen if the controls broke down completely, leading to a sharp increase in inflation.

For its central forecasts the review assumes an annual rise of 15 per cent in average earnings in Phase Three, an outcome which it describes as "very risky indeed."

Bullish

The institute is optimistic about manufacturing investment this year, predicting a rise of 10 per cent, but expects an increase of 12 per cent next year.

It also continues to take a more bullish view than the Government of the prospects for the balance of payments, though it has revised downwards the expected surplus for next year compared with the forecasts it made in February.

A current account surplus of about £400m. is expected for the year, against the Treasury forecast of deficit of £500m. The institute predicts a surplus of about £1.5bn. next year. In February it was expecting surplus of £2.2bn.

Nevertheless, the institute advises the Government to follow an exchange rate policy which avoids deterioration of the UK's competitive position, implying that the rate should be allowed to fall if inflation is substantially higher here than abroad.

Its reason for this suggestion is its concern about the failure of the non-oil trade balance to show any improvement.

Details of forecasts Page 32

IMF optimism about U.K. growth

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE CHANCELLOR of the exchequer has been told by hopefuls in the International Monetary Fund that it is optimistic about prospects for Britain's economic growth rate provided the level of inflation is brought under control.

Lord Watkinson, the CBI president, felt there could be a strong recovery next year if confidence improved.

Mr. Varley said the Government would make more money available to the industry for its machine tool scheme, funds for which have nearly run out. But while the Government and the CBI tried to make the best of the estimates the TUC's leaders were angry and dis-appointed. Mr. Len Murray, TUC general secretary, and Mr. Jack Jones, general secretary of the Transport and General Workers Union, attacked industrialists for their lack of confidence and called for the Government to introduce more interventionist investment policies of the sort which the TUC had proposed to the Wilson Committee.

The Chancellor later acknowledged that new techniques and machinery might be needed to channel oil revenues into manufacturing industry. This did not placate the union leaders, who warned that their members might soon lose interest in helping with the Government's industrial strategies.

There was growing unease, they reported, at union annual conferences this summer. Union leaders were having difficulty in gaining support for the Government's economic policies when there was such a poor level of industrial investment.

Mr. Varley admitted that this showed a less buoyant outlook than both his ministry and the CBI had been forecasting. It partly reflected the fact that people were accepting that pros-

Owen asks S. Africa to act on Rhodesian raid

BY MICHAEL HOLMAN

DR. DAVID OWEN, the Foreign Secretary, yesterday sent a message to the South African Government asking it to use its good offices to urge Rhodesia to call off its four-day-old hot-pursuit raid into Mozambique immediately.

Dr. Owen, who is in Paris for the North-South dialogue conference, held a second round of talks on Rhodesia

yesterday with Mr. Cyrus Vance, the U.S. Secretary of State. Interviewed afterwards, the Foreign Secretary said the U.S. was also making "vigorous representations" about the raid through diplomatic channels.

Rhodesian security forces were last night still operating inside Mozambique. An official communiqué said they had been involved in a clash

with nationalist guerrillas about 12 miles north of the Mozambique town of Mapai, which the Rhodesians have occupied. Mr. Pieter Van Der Byl, the Rhodesian Foreign Minister, attacked Britain for its condemnation of the raid, which he said had been "a defensive action" and would not have taken place if Mozambique had not given full support to the Rhodesian guerrillas.

DR. KENNETH KAUNDA, the Zambian President, has expressed disillusionment with the handling of the Rhodesian settlement issue by Dr. David Owen, the Foreign Secretary, declaring that the "profound impression" made on him by Dr. Owen is "disappearing very quickly."

Dr. Kaunda, in an interview before Dr. Kaunda left Lusaka yesterday with Mr. Cyrus Vance, the U.S. Secretary of State. Interviewed afterwards, the Foreign Secretary said the U.S. was also making "vigorous representations" about the raid through diplomatic channels.

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